

Fact book
2018

Q4

Handelsbanken

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This is Handelsbanken

Founded in 1871, Handelsbanken is one of the leading banks in the Nordic region, with 800 branches in more than 20 countries. The Bank regards Sweden, Denmark, Finland, Norway, Great Britain and the Netherlands as its domestic markets.

HANDELSBANKEN'S GOAL

Handelsbanken's financial goal is to have higher profitability than the average of its competitors through having more satisfied customers and lower costs (including loan losses) than its competitors. This goal has been reached every year since 1972, or for 47 consecutive years.

BUSINESS PHILOSOPHY

Decentralisation – the branch is the bank

The branches are fully responsible for all customer relationships, both corporate and private and regardless of size. For a credit to be granted it always has to be approved at the branch level. The branch manager is fully responsible for all business transactions with the customer.

Depending on the size of a credit, additional approvals may be required at regional and central level.

Focus on customers, not on products

The focus is always on the need of the individual customer and not on the sale of specific products. As a consequence, the bank does not perform any central marketing campaigns. The branch has the best knowledge of the local customer and marketing activities are therefore decided locally.

Not a mass market bank

Handelsbanken targets corporate and private customers with a better cash flow than average.

No sales targets

The business focus is always on profitability and never on volumes. As a consequence, the bank has no sales targets or market share goals.

No bonuses

Handelsbanken believes bonuses should be avoided in risk-taking operations, mainly because they risk providing the wrong incentives. Consequently, the bank has no bonus programme for any members of management or for any staff in the branch office operations, who all work on fixed salaries.

Fixed salaries, without bonuses, apply to all employees in the group except for a limited number of staff in the investment banking and asset management operations.

No budgets

The bank abolished budgets in 1972. In banking, where the ability to manage and minimize the risk is central, budgets or other longer term plans risks creating unwanted incentives and behaviour. Instead, the bank's decentralised organisation is focused on being flexible and quick in adapting to changes in the business environment.

Credit policy

The bank's credit policy is centralised and non-negotiable. It is the same in all markets and it remains unchanged over the business cycle.

Credit decisions should always be made based on the cash flow and repayment capacity of the customer. A weak or uncertain repayment capacity can never be offset by a high margin or by collateral. *(For more information, please see the bank's Pillar III report available at www.handelsbanken.se/ireng.)*

Low risk tolerance

The bank has a low risk tolerance and the business model is focused on underwriting and managing ultimate credit default risk at branch level. The aim is to minimise market risks and all other risks. Position taking is only accepted in client-driven transactions and within strictly defined limits.

The bank also aims at reducing macro risks in order to have a business model that is as independent as possible from the shifts in the business cycle.

Follow-up and business control

The need for follow-up and control increases with the degree of decentralisation. Consequently, the business control system is centralised and monitors profitability and business activity at individual branch office level.

Regional banks and other business segments are evaluated on return on equity. Branch offices are monitored on the cost/income ratio, including risk-weighted cost of capital, the true funding cost and actual loan losses.

Income statement

Income statement - Svenska Handelsbanken Group

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Interest income	12,914	12,798	12,353	11,106	10,853	10,631	10,398	10,210
Interest expenses	-5,042	-4,936	-4,449	-3,458	-3,076	-3,044	-3,077	-3,129
Net interest income	7,872	7,862	7,904	7,648	7,777	7,587	7,321	7,081
Net fee and commission income	2,611	2,624	2,551	2,461	2,501	2,355	2,508	2,354
Net gains/losses on financial transactions	303	186	290	129	164	243	317	547
Risk result - insurance	40	10	15	41	34	19	53	36
Other dividend income	201	3	12	2	576	2	11	2
Share of profit of associates	-3	10	2	-9	30	14	-3	-27
Other income	59	33	861	52	70	28	31	43
Total income	11,083	10,728	11,635	10,324	11,152	10,248	10,238	10,036
Staff costs	-3,464	-3,421	-3,363	-3,217	-3,178	-3,134	-3,242	-2,918
Other expenses	-1,889	-1,554	-1,644	-1,625	-1,712	-1,337	-1,410	-1,430
Depreciation, amortisation and impairment of property, equipment and intangible assets	-171	-181	-189	-172	-184	-140	-145	-150
Total expenses	-5,524	-5,156	-5,196	-5,014	-5,074	-4,611	-4,797	-4,498
Profit before credit losses	5,559	5,572	6,439	5,310	6,078	5,637	5,441	5,538
Net Credit losses	-276	-230	-222	-153	-1,084	-217	-186	-196
Gains/losses on disposal of property, equipment and intangible assets	5	2	3	4	3	4	2	5
Operating profit	5,288	5,344	6,220	5,161	4,997	5,424	5,257	5,347
Taxes	-1,272	-1,238	-989	-1,157	-1,235	-1,251	-1,201	-1,236
Profit for the period	4,016	4,106	5,231	4,004	3,762	4,173	4,056	4,111
Attributable to								
Shareholders in Svenska Handelsbanken AB	4,015	4,105	5,231	4,003	3,760	4,172	4,056	4,111
Minority interest	1	1	0	1	2	1	0	0

Earnings per share

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Profit for the year, attributable to shareholders in Svenska Handelsbanken AB	4,015	4,105	5,231	4,003	3,760	4,172	4,056	4,111
- of which interest expense on convertible subordinated loan after tax	-26	-27	-26	-25	-25	-25	-18	-31
Average number of outstanding shares, million	1,944.2	1,944.2	1,944.2	1,944.2	1,944.2	1,944.2	1,944.2	1,944.2
Average number of outstanding shares after dilution, million	1,976.0	1,977.0	1,975.3	1,974.5	1,974.8	1,975.0	1,975.3	1,974.3
Earnings per share, SEK	2.07	2.11	2.69	2.06	1.93	2.15	2.09	2.11
- after dilution	2.05	2.09	2.66	2.04	1.92	2.13	2.06	2.10

Consolidated statement of other comprehensive income

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Profit for the period	4,016	4,106	5,231	4,004	3,762	4,173	4,056	4,111
Other comprehensive income								
Items that will not be reclassified to the income statement								
Defined benefit pension plans	-3,805	1,645	-470	-1,775	216	372	1,013	2,318
Instruments measured at fair value through other comprehensive income - equity instruments	-314							
Tax on items that will not be reclassified to income statement	851	-363	101	389	-48	-82	-223	-511
<i>of which defined benefit pension plans</i>	848	-362	102	389	-48	-82	-223	-511
<i>of which equity instruments measured at fair value through other comprehensive income</i>	3	-1						
Total items that will not be reclassified to the income statement	-3,268	1,313	-313	-1,347	168	290	790	1,807
Items that may subsequently be reclassified to the income statement								
Cash flow hedges	2,832	-1,709	699	-1,054	-1,038	-578	-1,070	336
Available-for-sale instruments		-	-	-	-552	24	21	37
Instruments measured at fair value through other comprehensive income - debt instruments	-12							
Translation differences for the period	-3,345	-1,181	1,105	3,233	14	-76	-869	-1,310
<i>of which hedging net investment in foreign operations</i>	-178	-115	-465	-92	-386	-304	-24	-795
Tax on items that may subsequently be reclassified to the income statement	-564	401	-51	252	299	216	230	99
<i>of which cash flow hedges</i>	-613	376	-154	232	228	135	228	-74
<i>of which available-for-sale instruments</i>					-14	13	-2	-2
<i>of which debt instruments measured at fair value through other comprehensive income</i>	3	0	0	0				
<i>of which hedging net investment in foreign operations</i>	46	25	103	20	85	68	4	175
Total items that may subsequently be reclassified to the income statement	-1,089	-2,488	1,751	2,432	-1,277	-414	-1,688	-838
Total other comprehensive income for the period	-4,357	-1,175	1,438	1,085	-1,109	-124	-898	969
Total comprehensive income for the period	-341	2,931	6,669	5,089	2,653	4,049	3,158	5,080
Attributable to								
Shareholders in Svenska Handelsbanken AB	-342	2,930	6,668	5,089	2,653	4,049	3,158	5,080
Minority interest	1	1	1	0	0	0	0	0

Handelsbanken Group - Key figures

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Return on equity	11.6%	12.1%	16.0%	11.7%	11.2%	12.9%	12.9%	12.4%
C/l ratio	49.8%	48.1%	44.7%	48.6%	45.5%	45.0%	46.9%	44.8%
C/l ratio, incl. credit losses	52.3%	50.2%	46.6%	50.0%	55.2%	47.1%	48.7%	46.8%
Adjusted equity per share, SEK	72.90	73.51	71.30	68.23	72.90	71.12	68.82	66.77
Common equity tier 1 ratio, CRR	16.8%	21.7%	21.4%	21.6%	22.7%	23.6%	23.4%	23.8%
Total capital ratio, CRR	21.0%	27.1%	28.3%	28.3%	28.3%	28.5%	29.0%	29.7%
Average number of employees	12,359	12,583	12,219	12,066	11,956	12,102	11,687	11,584
Number of branches, Sweden	390	402	407	415	420	422	423	425
Number of branches, Great Britain	208	208	208	208	208	207	207	207
Number of branches in Denmark	56	56	57	57	57	57	57	57
Number of branches in Finland	36	40	45	45	45	45	45	45
Number of branches in Norway	49	49	49	49	49	49	49	49
Number of branches in the Netherlands	29	29	29	28	28	27	27	26
Number of branches in other countries	11	11	12	12	12	13	13	13
Total number of branches	779	795	807	814	819	820	821	822

Average number of employees

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Sweden	7,311	7,464	7,240	7,108	7,082	7,218	6,892	6,846
UK	2,351	2,365	2,314	2,244	2,188	2,178	2,136	2,103
Norway	771	793	761	759	748	769	743	742
Denmark	656	655	665	660	654	652	649	655
Finland	602	643	655	639	633	638	620	600
The Netherlands	321	318	311	303	295	287	285	271
Total in home markets	12,012	12,238	11,946	11,713	11,600	11,742	11,325	11,217
Greater China (Incl. Hong Kong)	77	76	74	73	73	71	69	72
USA	65	65	67	66	67	68	67	66
Luxembourg	52	52	52	52	55	57	58	58
Germany	42	41	42	43	42	42	42	43
Poland	34	37	37	37	38	38	39	41
Singapore	32	32	33	35	34	36	37	37
Estonia	19	16	17	18	18	18	18	17
France	6	5	7	7	7	7	7	8
Latvia	5	6	7	7	7	7	7	6
Lithuania	6	6	6	6	6	5	5	5
Austria	-	-	-	-	-	1	3	4
Other countries (Representative office)	9	9	8	9	9	10	10	10
Total	12,359	12,583	12,296	12,066	11,956	12,102	11,687	11,584

Calculation of key figures

For definitions, please see page 42-45

Return on equity

= Profit for the period on a full-year basis in relation to average adjusted equity.

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Equity	142,261	141,210	138,279	131,613	141,604	138,951	134,900	131,741
Adjustment defined benefit pension plans	-1,283	-4,240	-2,957	-3,325	-4,711	-4,543	-4,253	-3,463
Adjustment fair value reserve	-304	-624	-593	-540	-499	-1,064	-1,028	-1,009
Adjustment hedge reserve	-1,263	955	-377	168	-654	-1,464	-1,907	-2,749
Reversed weighted dividend	0	0	0	11,056	0	0	0	9,080
Total adjusted equity	139,411	137,301	134,352	138,972	135,740	131,880	127,712	133,600
Adjusted equity, average *	138,356	135,827	131,134	137,356	133,810	129,796	126,116	132,432
Adjustment for impact of conversions on adjusted equity, quarterly average	0	0	0	0	-1	-1	-1	-1
Actual quarterly average of converted shares	0	0	0	0	1	1	1	1
Capital Markets's holdings of SHB shares, average	0	0	0	0	0	0	0	0
Adjusted equity, quarterly average	138,356	135,827	131,134	137,356	133,810	129,796	126,116	132,432
Profit for the period	4,016	4,106	5,231	4,004	3,762	4,173	4,056	4,111
Return on equity, total operations	11.6%	12.1%	16.0%	11.7%	11.2%	12.9%	12.9%	12.4%

* Opening balance for the period adjusted for weighted dividend.

Adjusted equity per share

= Total adjusted equity in relation to the number of outstanding shares after dilution.

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Equity	142,261	141,210	138,279	131,613	141,604	138,951	134,900	131,741
Adjustment minority share	-12	-11	-11	-13	-11	-9	-6	-6
Adjustment hedge reserve	-1,263	955	-377	168	-654	-1,464	-1,907	-2,749
Outstanding convertible loan (included in subordinated liabilities item)	3,136	3,103	-3,070	3,038	3,006	2,974	2,942	2,911
Total adjusted equity	144,122	145,257	134,821	134,806	143,945	140,452	135,929	131,897
Number of outstanding shares after dilution (millions)	1,977	1,976	1,977	1,976	1,975	1,975	1,975	1,975
Adjusted shareholders' equity per share, SEK	72.90	73.51	71.30	68.23	72.90	71.12	68.82	66.77

One-offs and special items in Operating profit

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Special items								
Benchmark effect in Stadshypotek	-11	1	25	-35	-6	44	-31	-8
Oktogonen (the Bank's profit-sharing system)	-218	-201	-207	-233	-133	-149	-243	-243
Performance-related remuneration	-8	-18	-20	-9	-19	-7	-27	-20
Total Special items	-237	-218	-202	-277	-158	-112	-301	-271
Non-recurring items								
Capital gains from the sale of shares in UC AB			837					
Changes in the pension plan in the UK operations				141				
Dividend from VISA Sweden	198				576			
Transition to a defined contribution pension plan in the Norwegian operations	26							239
Total Non-recurring items	224		837	141	576			239
Total	-13	-218	635	-136	418	-112	-301	-32

Fees for the Resolution Fund and deposit guarantee

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Swedish Resolution Fund								
Handelsbanken Sweden	-288	-286	-289	-284	-203	-203	-201	-205
Handelsbanken UK	-53	-53	-54	-53	-37	-39	-39	-39
Handelsbanken Denmark	-24	-24	-24	-23	-14	-15	-15	-15
Handelsbanken Finland	-30	-30	-31	-30	-20	-23	-23	-24
Handelsbanken Norway	-66	-66	-66	-65	-45	-41	-41	-42
Handelsbanken the Netherlands	-9	-9	-9	-9	-4	-5	-4	-5
Handelsbanken Capital Markets	-21	-21	-21	-21	-15	-19	-15	-16
Other	-132	-134	-134	-132	-92	-90	-89	-92
Total fees for the Swedish Resolution Fund	-623	-623	-628	-617	-430	-435	-427	-438
Swedish deposit guarantee								
Handelsbanken Sweden	-35	-60	-60	-60	-56	-31	-69	-69
Handelsbanken UK	-3	-5	-5	-6	-5	-2	-6	-6
Handelsbanken Denmark	-2	-4	-4	-4	-4	-3	-4	-4
Handelsbanken Finland	-2	-3	-3	-3	-3	-2	-3	-3
Handelsbanken Norway	-3	-5	-5	-5	-4	-2	-6	-6
Handelsbanken the Netherlands	0	0	0	0	0	0	0	0
Handelsbanken Capital Markets	0	0	0	0	0	-1	0	0
Other	-	-	-	-	-	-	-	-
Total fees for Swedish deposit guarantee	-45	-77	-77	-78	-72	-41	-88	-88
Norwegian deposit guarantee								
Handelsbanken Norway	-1	-1	-1	-	-2	-1	-1	-1
Total	-669	-701	-706	-695	-504	-477	-516	-527

The fees are booked in the Net Interest Income.

Exchange rates

SEK, End of period (Balance sheet)	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	Change y/y	Change q/q
DKK	1.3731	1.3833	1.4038	1.3799	1.3217	4%	-1%
EUR	10.2530	10.3152	10.4597	10.2840	9.8408	4%	-1%
GBP	11.3565	11.5895	11.8215	11.7514	11.0920	2%	-2%
NOK	1.0295	1.0906	1.0980	1.0619	1.0008	3%	-6%
USD	8.9501	8.9080	8.9838	8.3587	8.2051	9%	0%

SEK, Average as from 1 Jan (Income statement)	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	Change y/y	Change q/q
DKK	1.3766	1.3743	1.3627	1.3391	1.2953	6%	0%
EUR	10.2587	10.2376	10.1470	9.9708	9.6352	6%	0%
GBP	11.5980	11.5817	11.5386	11.2914	10.9918	6%	0%
NOK	1.0691	1.0677	1.0577	1.0350	1.0333	3%	0%
USD	8.6961	8.5816	8.3868	8.1126	8.5405	2%	1%

The effect of exchange rate movements - by Segment

Jan - Dec 2018 vs. same period last year

SEK m	GB	DK	FI	NO	NL	HCM	Other	Group
Net interest income	241	100	71	111	34	21	20	598
Net fee and commission income	33	28	31	16	10	34	0	152
Net result of financial transactions	10	6	3	3	1	7	11	41
Other income	0	1	1	0	0	4	0	6
Total income	284	135	106	130	45	66	31	797
Staff costs	-109	-45	-28	-25	-19	-35	-10	-271
Other administrative expenses	-58	-28	-29	-20	-11	-17	5	-158
Depreciation and amortisation	-4	-1	-1	0	-1	-1	-11	-19
Total expenses	-171	-74	-58	-45	-31	-53	-16	-448
Net loan losses	-43	-29	-5	-6	0	-2	-	-85
Operating profit	70	32	43	79	14	11	15	264

Q4 2018 vs. previous quarter

SEK m	GB	DK	FI	NO	NL	HCM	Other	Group
Net interest income	-4	-4	-3	-13	-2	0	0	-26
Net fee and commission income	-1	-1	-1	-2	0	-1	0	-6
Net result of financial transactions	0	0	0	0	0	-1	0	-1
Other income	0	0	0	0	0	0	0	0
Total income	-5	-5	-4	-15	-2	-2	0	-33
Staff costs	2	2	1	3	1	1	-1	9
Other administrative expenses	1	1	1	2	0	0	1	6
Depreciation and amortisation	0	0	0	0	0	0	1	1
Total expenses	3	3	2	5	1	1	1	16
Net loan losses	0	0	0	3	0	0	0	3
Operating profit	-2	-2	-2	-7	-1	-1	1	-14

Net interest income

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Interest income								
Loans to credit institutions and central banks	957	874	661	668	635	636	522	347
Loans to the public	10,578	10,523	10,427	9,941	9,820	9,654	9,750	9,695
Interest-bearing securities eligible as collateral with central banks	121	100	108	58	44	44	43	57
Bonds and other interest-bearing securities	148	200	244	219	186	150	164	176
Derivative instruments	691	703	535	-112	-120	-123	-380	-326
Other interest income	336	333	341	324	342	321	359	320
Total	12,831	12,733	12,316	11,098	10,907	10,682	10,458	10,269
<i>Interest income reported in Net gains/losses on financial transactions</i>	<i>-83</i>	<i>-65</i>	<i>-37</i>	<i>-8</i>	<i>54</i>	<i>51</i>	<i>60</i>	<i>59</i>
Total interest income interest method and interest on derivatives for hedging	12,914	12,798	12,353	11,106	10,853	10,631	10,398	10,210
	12,708	12,559	12,128	10,946	10,743	10,516	10,299	10,099
Interest expenses								
Due to credit institutions and central banks	-272	-329	-377	-384	-335	-338	-309	-299
Deposits and borrowing from the public	-479	-511	-455	-369	-414	-439	-398	-294
Issued securities	-5,097	-4,846	-4,524	-3,991	-3,826	-3,726	-4,023	-4,157
Derivative instruments	1,971	1,836	1,986	2,277	2,294	2,198	2,454	2,432
Subordinated liabilities	-416	-387	-393	-347	-344	-351	-356	-360
State fees	-669	-701	-706	-695	-504	-477	-516	-527
Other interest expenses	-127	-21	-88	-73	-59	-	-19	-28
Total	-5,089	-4,959	-4,557	-3,582	-3,188	-3,133	-3,167	-3,233
<i>Interest expenses reported in Net gains/losses on financial transactions</i>	<i>-47</i>	<i>-23</i>	<i>-108</i>	<i>-124</i>	<i>-112</i>	<i>-89</i>	<i>-90</i>	<i>-104</i>
Total interest expenses	-5,042	-4,936	-4,449	-3,458	-3,076	-3,044	-3,077	-3,129
Net interest income	7,872	7,862	7,904	7,648	7,777	7,587	7,321	7,081

Net fee and commission income

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Brokerage and other securities commissions	168	164	177	181	207	172	246	261
Mutual funds	906	956	941	889	946	869	895	849
Custody and other asset management fees	273	279	246	245	200	189	169	164
Advisory services	70	29	53	62	36	37	105	56
Insurance	178	182	178	176	169	167	168	160
Payments	953	930	896	826	895	857	847	760
Loans and deposits	344	330	336	330	328	301	308	301
Guarantees	100	99	98	93	92	93	99	97
Other	132	115	123	125	125	122	125	124
Total fee and commission income	3,124	3,084	3,048	2,927	2,998	2,807	2,962	2,772
Securities	-56	-54	-53	-59	-65	-57	-70	-72
Payments	-433	-388	-425	-384	-413	-379	-368	-331
Other	-24	-18	-19	-23	-19	-16	-16	-15
Total fee and commission expenses	-513	-460	-497	-466	-497	-452	-454	-418
Net fee and commission income	2,611	2,624	2,551	2,461	2,501	2,355	2,508	2,354

Net gains/losses on financial transactions

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Amortised cost	49	48	50	33	53	58	32	13
<i>of which loans</i>	103	83	93	78	111	91	86	84
<i>of which interest-bearing securities</i>	0	0						
<i>of which issued securities</i>	-54	-35	-43	-45	-58	-33	-54	-71
Fair value through other comprehensive income	0	0						
<i>of which expected credit losses</i>	-1	0						
Financial instruments available for sale					2		4	2
Fair value through profit or loss, fair value option	501	-624	116	-122				
<i>of which interest-bearing securities</i>	501	-624	116	-122				
Other financial instruments at fair value through profit/loss								
<i>of which interest-bearing securities</i>					-184	-98	-132	-139
<i>of which loans</i>					-182	-90	-123	-129
Fair value through profit or loss, mandatory including FX effects	-115	811	138	273				
Trading, derivatives, FX effect etc					347	322	439	706
Hedge accounting	-23	0	-1	-20	-14	-8	3	-10
<i>of which net gains/losses on fair value hedges</i>	-17	5	4	4	-8	1	6	-6
<i>of which cash flow hedge ineffectiveness</i>	-6	-5	-5	-24	-6	-9	-3	-4
Result from financial components in insurance contract	-109	-49	-13	-35	-40	-31	-29	-25
Total	303	186	290	129	164	243	317	547

Other expenses

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Property and premises	-344	-326	-326	-314	-333	-294	-290	-318
External IT costs	-597	-507	-524	-563	-514	-454	-489	-478
Communication	-87	-80	-90	-87	-79	-71	-75	-84
Travel and marketing	-95	-56	-85	-69	-102	-59	-88	-68
Purchased services	-524	-387	-438	-411	-471	-300	-317	-318
Supplies	-54	-36	-42	-46	-52	-40	-38	-48
Other administrative expenses	-188	-162	-139	-135	-161	-119	-113	-116
Other expenses	-1,889	-1,554	-1,644	-1,625	-1,712	-1,337	-1,410	-1,430

Distribution of costs

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
UK and the Netherlands*	-1,097	-1,034	-1,033	-988	-899	-831	-865	-840
Company formation in UK	-96	-69	-70	-79	-83	-10	-10	0
Changed pension plan in Norway	26	-	-	141	-	-	-	239
Development costs	-534	-444	-488	-550	-599	-379	-417	-426
Other recurring costs	-3,839	-3,609	-3,606	-3,539	-3,492	-3,391	-3,505	-3,471
Total expenses	-5,524	-5,156	-5,196	-5,014	-5,074	-4,611	-4,797	-4,498

* Adjusted for company formation and currency

Development costs

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Investments in development	-694	-521	-657	-654	-756	-463	-557	-539
of which staff costs	-315	-228	-290	-285	-287	-201	-240	-242
of which other costs	-379	-293	-367	-369	-469	-262	-317	-297
Capitalised costs	240	147	234	165	208	131	188	167
Investments in development after capitalised costs	-454	-374	-423	-489	-548	-332	-369	-372
Amortisation and depreciation	-80	-70	-65	-61	-51	-47	-48	-54
Development costs	-534	-444	-488	-550	-599	-379	-417	-426

Investments in development - per category

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Regulatory compliance	-218	-163	-234	-266	-305	-209	-247	-224
Business development	-174	-100	-139	-130	-120	-92	-106	-106
Technical development	-228	-210	-213	-195	-285	-139	-177	-183
UK & the Netherlands	-74	-59	-66	-57	-44	-23	-27	-25
Other	-	11	-5	-6	-2	-	-	-1
Total investments in development	-694	-521	-657	-654	-756	-463	-557	-539

Credit losses

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Expected credit losses on balance sheet items								
The period's provision Stage 3	-108	-382	-426	-239				
Reversal of Stage 3 provisions to Stage 1 or Stage 2	43	61	64	97				
Total expected credit losses Stage 3	-65	-321	-362	-142				
The period's net provision Stage 2	-30	45	34	-16				
The period's net provision Stage 1	-4	44	23	30				
Total expected credit losses in Stage 1 and Stage 2	-34	89	57	14				
Total expected credit losses on balance sheet items	-99	-232	-305	-128				
Expected credit losses on off-balance sheet items								
The period's net provision Stage 3	41	-1	-4	-36				
The period's net provision Stage 2	13	1	2	7				
The period's net provision Stage 1	2	0	22	9				
Total expected credit losses on off-balance sheet items	56	0	20	-20				
Write-offs								
Actual credit losses for the period	-466	-136	-829	-1,629				
Utilised share of previous provision Stage 3	193	107	815	1,596				
Total write-offs	-273	-29	-14	-33				
Recoveries	40	31	77	28				
Net credit losses	-276	-230	-222	-153	-1,084	-217	-186	-196
<i>of which loans to the public</i>	<i>-324</i>	<i>-229</i>	<i>-242</i>	<i>-134</i>				

Loan losses – Key ratios, loans to the public

	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018
Credit loss ratio, %	0.06	0.04	0.05	0.03
Total credit loss reserve ratio, %	0.17	0.18	0.17	0.20
Credit loss reserve ratio Stage 1, %	0.01	0.01	0.02	0.02
Credit loss reserve ratio Stage 2, %	0.95	1.00	0.96	1.22
Credit loss reserve ratio Stage 3, %	38.00	39.54	39.23	40.19
Proportion of loans Stage 3, %	0.22	0.22	0.21	0.23

Operating profit per segment, quarterly

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Handelsbanken Sweden	3,243	3,480	3,382	3,208	3,505	3,658	3,429	3,148
Handelsbanken UK	654	650	626	711	16	480	599	521
Handelsbanken Denmark	169	261	274	242	-105	237	226	270
Handelsbanken Finland	129	201	143	215	167	211	189	213
Handelsbanken Norway	599	511	638	632	670	672	618	833
Handelsbanken the Netherlands	64	75	72	69	87	63	53	49
Capital Markets	426	450	527	529	306	294	441	501
Other	19	-296	591	-411	405	-130	-230	-122
Adjustments & eliminations	-15	12	-33	-34	-54	-61	-68	-66
Operating profit, Group	5,288	5,344	6,220	5,161	4,997	5,424	5,257	5,347

Total income per segment

SEK m	Q4 2018	Q3 2018	Change	Q4 2017	Change	Full year 2018	Full year 2017	Change
Handelsbanken Sweden	5,367	5,457	-2%	5,699	-6%	21,664	21,840	-1%
Handelsbanken UK	1,711	1,650	4%	1,399	22%	6,476	5,391	20%
Handelsbanken Denmark	578	579	0%	581	-1%	2,304	2,257	2%
Handelsbanken Finland	475	475	0%	459	3%	1,878	1,735	8%
Handelsbanken Norway	1,094	1,105	-1%	1,081	1%	4,340	4,180	4%
Handelsbanken the Netherlands	225	219	3%	223	1%	858	735	17%
Handelsbanken Capital Markets	1,380	1,256	10%	1,148	20%	5,346	4,793	12%
Other	253	-13		562	-55%	904	743	22%
Adjustments & eliminations	-	-		-		-	-	
Total income	11,083	10,728	3%	11,152	-1%	43,770	41,674	5%

Total expenses per segment

SEK m	Q4 2018	Q3 2018	Change	Q4 2017	Change	Full year 2018	Full year 2017	Change
Handelsbanken Sweden	-2,064	-1,983	4%	-2,127	-3%	-8,154	-7,892	3%
Handelsbanken UK	-1,027	-958	7%	-827	24%	-3,709	-3,035	22%
Handelsbanken Denmark	-409	-323	27%	-316	29%	-1,368	-1,176	16%
Handelsbanken Finland	-274	-249	10%	-241	14%	-1,018	-898	13%
Handelsbanken Norway	-384	-422	-9%	-375	2%	-1,551	-1,231	26%
Handelsbanken the Netherlands	-162	-145	12%	-137	18%	-592	-485	22%
Handelsbanken Capital Markets	-952	-805	18%	-840	13%	-3,424	-3,194	7%
Other	-237	-283	-16%	-157	51%	-1,004	-820	22%
Adjustments & eliminations	-15	12		-54	72%	-70	-249	-72%
Total expenses	-5,524	-5,156	7%	-5,074	9%	-20,890	-18,980	10%

Operating profit per segment

SEK m	Q4 2018	Q3 2018	Change	Q4 2017	Change	Full year 2018	Full year 2017	Change
Handelsbanken Sweden	3,243	3,480	-7%	3,505	-7%	13,313	13,740	-3%
Handelsbanken UK	654	650	1%	16		2,641	1,616	63%
Handelsbanken Denmark	169	261	-35%	-105		946	628	51%
Handelsbanken Finland	129	201	-36%	167	-23%	688	780	-12%
Handelsbanken Norway	599	511	17%	670	-11%	2,380	2,793	-15%
Handelsbanken the Netherlands	64	75	-15%	87	-26%	280	252	11%
Handelsbanken Capital Markets	426	450	-5%	306	39%	1,932	1,542	25%
Other	19	-296		405	-95%	-97	-77	-26%
Adjustments & eliminations	-15	12		-54	72%	-70	-249	72%
Operating profit	5,288	5,344	-1%	4,997	6%	22,013	21,025	5%

Handelsbanken Sweden

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest income	4,239	4,232	4,276	4,241	4,371	4,301	4,076	3,946
Net fee and commission income	992	1,055	989	959	1,146	1,113	1,117	1,058
Net gains/losses on financial transactions	123	164	190	149	167	173	176	147
Other income	13	6	4	32	15	7	16	11
Total income	5,367	5,457	5,459	5,381	5,699	5,594	5,385	5,162
Staff costs	-845	-887	-879	-901	-885	-876	-848	-856
Other expenses	-283	-260	-288	-273	-354	-268	-279	-279
Internal purchased and sold services	-921	-819	-865	-868	-871	-732	-773	-792
Depreciation, amortisation and impairments of property, equipment and intangible assets	-15	-17	-16	-17	-17	-18	-17	-27
Total expenses	-2,064	-1,983	-2,048	-2,059	-2,127	-1,894	-1,917	-1,954
Profit before credit losses	3,303	3,474	3,411	3,322	3,572	3,700	3,468	3,208
Net credit losses	-61	5	-31	-115	-69	-42	-39	-60
Gains/losses on disposal of property, equipment and intangible assets	1	1	2	1	2	0	0	0
Operating profit	3,243	3,480	3,382	3,208	3,505	3,658	3,429	3,148
Profit allocation	462	491	487	443	311	322	330	294
Operating profit after profit allocation	3,705	3,971	3,869	3,651	3,816	3,980	3,759	3,442
Cost/income ratio, %	35.4	33.3	34.4	35.4	35.4	32.0	33.5	35.8
Credit loss ratio (IFRS 9), %	0.03	0.00	0.01	0.04				
Credit loss ratio (IAS 39), %					0.02	0.01	0.01	0.02
Allocated capital	81,285	79,011	75,137	82,804	79,964	78,083	74,464	78,736
Return on allocated capital, %	14.2	15.7	16.1	13.8	14.9	15.9	15.7	13.6
Average number of employees	4,016	4,229	4,031	4,057	4,084	4,232	3,990	4,006
Number of branches	390	402	407	415	420	422	423	425

Business volumes, Handelsbanken Sweden

Average volumes, SEK bn	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Loans to the public*								
Household	842	832	824	812	801	788	775	765
of which mortgage loans	795	785	776	764	752	738	725	714
Companies	518	515	509	502	497	491	486	479
of which mortgage loans	310	303	298	293	290	285	280	275
Total	1,360	1,347	1,333	1,314	1,298	1,279	1,261	1,244
Deposits and borrowing from the public								
Household	357	351	343	334	333	325	316	307
Companies	252	242	243	243	239	232	229	217
Total	609	593	586	577	572	557	545	524

* Excluding loans to the National Debt Office.

Handelsbanken UK

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
SEK m								
Net interest income	1,466	1,419	1,388	1,282	1,245	1,157	1,178	1,079
Net fee and commission income	184	179	174	167	165	147	150	140
Net gains/losses on financial transactions	54	52	50	54	-13	46	48	46
Other income	7	0	0	0	2	1	0	0
Total income	1,711	1,650	1,612	1,503	1,399	1,351	1,376	1,265
Staff costs	-546	-533	-528	-363	-462	-452	-461	-453
Other expenses	-256	-204	-213	-208	-194	-117	-126	-112
Internal purchased and sold services	-207	-204	-197	-178	-155	-139	-151	-150
Depreciation, amortisation and impairments of property, equipment and intangible assets	-18	-17	-19	-18	-16	-15	-16	-16
Total expenses	-1,027	-958	-957	-767	-827	-723	-754	-731
Profit before credit losses	684	692	655	736	572	628	622	534
Net credit losses	-30	-42	-28	-25	-556	-148	-23	-12
Gains/losses on disposal of property, equipment and intangible assets	0	0	-1	0	0	0	0	-1
Operating profit	654	650	626	711	16	480	599	521
Profit allocation	8	9	8	7	11	9	7	8
Operating profit after profit allocation	662	659	634	718	27	489	606	529
Cost/income ratio, %	59.7	57.7	59.1	50.8	58.7	53.2	54.5	57.4
Credit loss ratio (IFRS 9), %	0.05	0.08	0.05	0.05				
Credit loss ratio (IAS 39), %					1.13	0.30	0.05	0.02
Allocated capital	14,048	13,469	13,286	12,894	13,106	12,519	12,144	12,914
Return on allocated capital, %	14.7	15.3	14.9	17.4	0.6	12.2	15.6	12.8
Average number of employees	2,265	2,274	2,228	2,155	2,093	2,073	2,022	1,991
Number of branches	208	208	208	208	208	207	207	207

Handelsbanken UK, in local currency

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
GBP m								
Net interest income	125.9	121.5	118.0	113.5	112.8	108.6	104.8	97.6
Net fee and commission income	15.8	15.4	14.7	14.8	14.8	13.9	13.3	12.7
Net gains/losses on financial transactions	4.6	4.5	4.2	4.8	-1.2	4.3	4.2	4.2
Other income	0.6	0.0	0.0	0.0	0.3	0.0	0.1	0.0
Total income	146.9	141.4	136.9	133.1	126.7	126.8	122.4	114.5
Staff costs	-47.0	-45.7	-45.1	-32.1	-41.9	-42.4	-41.0	-41.0
Other expenses	-22.1	-17.4	-18.1	-18.4	-17.6	-11.1	-11.2	-10.1
Internal purchased and sold services	-17.7	-17.5	-16.7	-15.8	-14.0	-13.1	-13.4	-13.6
Depreciation, amortisation and impairments of property, equipment and intangible assets	-1.5	-1.5	-1.6	-1.6	-1.4	-1.4	-1.4	-1.5
Total expenses	-88.3	-82.1	-81.5	-67.9	-74.9	-68.0	-67.0	-66.2
Profit before credit losses	58.6	59.3	55.4	65.2	51.8	58.8	55.4	48.3
Net credit losses	-2.5	-3.6	-2.3	-2.3	-50.6	-13.4	-2.1	-1.1
Gains/losses on disposal of property, equipment and intangible assets	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1	0.0
Operating profit	56.1	55.7	53.0	62.9	1.2	45.4	53.2	47.2
Profit allocation	0.7	0.9	0.6	0.6	1.0	0.8	0.7	0.7
Operating profit after profit allocation	56.8	56.6	53.6	63.5	2.2	46.2	53.9	47.9

Business volumes, Handelsbanken UK

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Average volumes, GBP m								
Loans to the public								
Household	6,654	6,606	6,501	6,416	6,311	6,210	6,073	5,916
Companies	14,231	13,870	13,610	13,247	12,874	12,411	12,050	11,719
Total	20,885	20,476	20,111	19,663	19,185	18,621	18,123	17,635
Deposits and borrowing from the public								
Household	4,868	4,726	4,519	4,336	4,232	3,965	3,603	3,297
Companies	9,940	9,091	8,971	8,851	9,174	9,113	8,490	7,840
Total	14,808	13,817	13,490	13,187	13,406	13,078	12,093	11,137

Handelsbanken Denmark

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest income	423	437	438	415	439	433	425	417
Net fee and commission income	129	117	114	118	115	89	121	108
Net gains/losses on financial transactions	24	23	32	24	24	18	29	24
Other income	2	2	3	3	3	4	1	7
Total income	578	579	587	560	581	544	576	556
Staff costs	-234	-188	-180	-180	-174	-166	-163	-166
Other expenses	-79	-44	-49	-42	-51	-33	-36	-39
Internal purchased and sold services	-95	-89	-91	-89	-88	-84	-83	-80
Depreciation, amortisation and impairments of property, equipment and intangible assets	-1	-2	-2	-3	-3	-3	-4	-3
Total expenses	-409	-323	-322	-314	-316	-286	-286	-288
Profit before credit losses	169	256	265	246	265	258	290	268
Net credit losses	-2	4	9	-6	-372	-24	-66	-4
Gains/losses on disposal of property, equipment and intangible assets	2	1	0	2	2	3	2	6
Operating profit	169	261	274	242	-105	237	226	270
Profit allocation	16	19	17	18	25	21	24	24
Operating profit after profit allocation	185	280	291	260	-80	258	250	294
Cost/income ratio, %	68.9	54.0	53.3	54.3	52.1	50.6	47.7	49.7
Credit loss ratio (IFRS 9), %	0.01	-0.02	-0.04	0.02				
Credit loss ratio (IAS 39), %					1.53	0.10	0.27	0.02
Allocated capital	6,168	6,088	5,841	5,794	5,711	5,708	5,535	6,382
Return on allocated capital, %	9.4	14.4	15.6	14.0	-4.3	14.0	14.1	14.4
Average number of employees	612	611	621	617	609	608	605	611
Number of branches	56	56	57	57	57	57	57	57

Handelsbanken Denmark, in local currency

DKK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest income	305	313	316	310	333	337	327	326
Net fee and commission income	93	84	82	88	88	69	93	85
Net gains/losses on financial transactions	18	15	23	19	18	14	22	19
Other income	2	2	2	2	2	3	1	5
Total income	418	414	423	419	441	423	443	435
Staff costs	-169	-135	-130	-134	-130	-130	-125	-130
Other expenses	-57	-31	-35	-32	-39	-26	-28	-30
Internal purchased and sold services	-69	-64	-65	-67	-67	-65	-65	-62
Depreciation, amortisation and impairments of property, equipment and intangible assets	-1	-1	-2	-2	-3	-1	-3	-3
Total expenses	-296	-231	-232	-235	-239	-222	-221	-225
Profit before credit losses	122	183	191	184	202	201	222	210
Net credit losses	-1	2	7	-4	-291	-16	-53	-3
Gains/losses on disposal of property, equipment and intangible assets	2	1	-	1	1	3	2	4
Operating profit	123	186	198	181	-88	188	171	211
Profit allocation	11	15	12	13	20	15	19	19
Operating profit after profit allocation	134	201	210	194	-68	203	190	230

Business volumes, Handelsbanken Denmark

Average volumes, DKK bn	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Loans to the public								
Household	46.9	46.5	46.2	46.0	45.1	44.3	43.8	43.4
Companies	28.5	29.4	29.5	28.9	28.7	27.6	28.8	29.6
Total	75.4	75.9	75.7	74.9	73.8	71.9	72.6	73.0
Deposits and borrowing from the public								
Household	14.5	14.1	13.8	13.2	13.3	13.1	12.9	12.2
Companies	18.9	21.5	18.5	21.4	19.3	19.8	18.6	18.5
Total	33.4	35.6	32.3	34.6	32.6	32.9	31.5	30.7

Handelsbanken Finland

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest income	334	336	332	313	319	301	291	292
Net fee and commission income	132	124	124	122	118	110	121	113
Net gains/losses on financial transactions	6	9	17	13	18	7	13	14
Other income	3	6	3	4	4	4	6	4
Total income	475	475	476	452	459	422	431	423
Staff costs	-115	-110	-108	-104	-107	-95	-100	-94
Other expenses	-57	-41	-52	-45	-48	-46	-44	-42
Internal purchased and sold services	-97	-92	-87	-89	-80	-72	-78	-73
Depreciation, amortisation and impairments of property, equipment and intangible assets	-5	-6	-5	-5	-6	-4	-5	-4
Total expenses	-274	-249	-252	-243	-241	-217	-227	-213
Profit before credit losses	201	226	224	209	218	205	204	210
Net credit losses	-72	-25	-81	6	-51	6	-15	3
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	0	0	0	0	-
Operating profit	129	201	143	215	167	211	189	213
Profit allocation	40	47	56	40	43	37	38	32
Operating profit after profit allocation	169	248	199	255	210	248	227	245
Cost/income ratio, %	53.2	47.7	47.4	49.4	48.0	47.3	48.4	46.8
Credit loss ratio (IFRS 9), %	0.34	0.08	0.28	-0.12				
Credit loss ratio (IAS 39), %					0.16	-0.02	0.05	-0.01
Allocated capital	6,376	6,104	6,036	6,456	5,646	5,526	5,283	6,169
Return on allocated capital, %	8.2	12.7	10.3	12.3	11.6	14.0	13.4	12.4
Average number of employees	487	525	537	523	519	519	505	482
Number of branches	36	40	45	45	45	45	45	45

Handelsbanken Finland, in local currency

EUR m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest income	32.3	32.2	32.2	31.4	32.7	31.5	30.0	30.7
Net fee and commission income	12.7	12.0	12.0	12.2	12.1	11.4	12.7	11.8
Net gains/losses on financial transactions	0.6	0.9	1.5	1.4	1.8	0.8	1.4	1.4
Other income	0.4	0.5	0.3	0.4	0.4	0.5	0.5	0.5
Total income	46.0	45.6	46.0	45.4	47.0	44.2	44.6	44.4
Staff costs	-11.1	-10.6	-10.4	-10.5	-10.9	-9.9	-10.4	-9.9
Other expenses	-5.5	-4.0	-5.0	-4.5	-5.1	-4.8	-4.4	-4.5
Internal purchased and sold services	-9.3	-8.8	-8.5	-8.9	-8.1	-7.4	-8.1	-7.7
Depreciation, amortisation and impairments of property, equipment and intangible assets	-0.5	-0.5	-0.5	-0.5	-0.5	-0.6	-0.6	-0.4
Total expenses	-26.4	-23.9	-24.4	-24.4	-24.6	-22.7	-23.5	-22.5
Profit before credit losses	19.6	21.7	21.6	21.0	22.4	21.5	21.1	21.9
Net credit losses	-7.0	-2.5	-7.9	0.6	-5.3	0.6	-1.6	0.4
Gains/losses on disposal of property, equipment and intangible assets	-0.1	0.1	0.0	0.0	-0.1	0.0	0.0	-
Operating profit	12.5	19.3	13.7	21.6	17.0	22.1	19.5	22.3
Profit allocation	3.8	4.5	5.5	4.0	4.4	3.9	4.0	3.3
Operating profit after profit allocation	16.3	23.8	19.2	25.6	21.4	26.0	23.5	25.6

Business volumes, Handelsbanken Finland

Average volumes, EUR m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Loans to the public								
Household	4,277	4,215	4,083	4,125	4,107	4,058	4,053	4,024
Companies	9,292	9,274	9,066	8,879	8,901	8,858	9,061	8,922
Total	13,569	13,489	13,149	13,004	13,008	12,916	13,114	12,946
Deposits and borrowing from the public								
Household	1,625	1,611	1,569	1,511	1,569	1,547	1,642	1,625
Companies	2,947	2,696	2,617	3,006	2,698	2,658	2,556	2,771
Total	4,572	4,307	4,186	4,517	4,267	4,205	4,198	4,396

Handelsbanken Norway

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest income	972	969	969	922	953	930	898	885
Net fee and commission income	106	109	103	95	104	101	102	103
Net gains/losses on financial transactions	14	26	25	23	21	23	19	27
Other income	2	1	3	1	3	1	6	4
Total income	1,094	1,105	1,100	1,041	1,081	1,055	1,025	1,019
Staff costs	-197	-221	-207	-199	-192	-201	-192	15
Other expenses	-61	-74	-63	-52	-62	-54	-53	-54
Internal purchased and sold services	-121	-123	-102	-114	-118	-106	-103	-97
Depreciation, amortisation and impairments of property, equipment and intangible assets	-5	-4	-4	-4	-3	-4	-3	-4
Total expenses	-384	-422	-376	-369	-375	-365	-351	-140
Profit before credit losses	710	683	724	672	706	690	674	879
Net credit losses	-112	-172	-88	-41	-36	-19	-56	-46
Gains/losses on disposal of property, equipment and intangible assets	1	0	2	1	0	1	0	0
Operating profit	599	511	638	632	670	672	618	833
Profit allocation	39	28	33	27	26	20	23	21
Operating profit after profit allocation	638	539	671	659	696	692	641	854
Cost/income ratio, %	33.9	37.2	33.2	34.6	33.9	34.0	33.5	13.5
Credit loss ratio (IFRS 9), %	0.18	0.28	0.14	0.07				
Credit loss ratio (IAS 39), %					0.06	0.03	0.09	0.08
Allocated capital	16,664	16,412	15,047	15,680	15,837	15,407	15,521	16,808
Return on allocated capital, %	11.9	10.3	13.9	13.1	13.7	14.0	12.9	15.9
Average number of employees	697	719	689	683	673	692	662	662
Number of branches	49	49	49	49	49	49	49	49

Handelsbanken Norway, in local currency

NOK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest income	904	892	897	891	934	909	868	837
Net fee and commission income	99	99	96	92	102	99	98	98
Net gains/losses on financial transactions	14	24	23	22	20	23	19	25
Other income	2	1	3	1	4	1	5	4
Total income	1,019	1,016	1,019	1,006	1,060	1,032	990	964
Staff costs	-183	-205	-191	-192	-188	-195	-183	14
Other expenses	-57	-68	-59	-50	-61	-53	-51	-51
Internal purchased and sold services	-113	-113	-94	-110	-115	-104	-99	-92
Depreciation, amortisation and impairments of property, equipment and intangible assets	-4	-4	-4	-4	-3	-4	-4	-3
Total expenses	-357	-390	-348	-356	-367	-356	-337	-132
Profit before credit losses	662	626	671	650	693	676	653	832
Net credit losses	-105	-160	-82	-40	-35	-19	-54	-44
Gains/losses on disposal of property, equipment and intangible assets	1	1	1	1	1	0	0	0
Operating profit	558	467	590	611	659	657	599	788
Profit allocation	36	27	30	26	24	20	22	20
Operating profit after profit allocation	594	494	620	637	683	677	621	808

Business volumes, Handelsbanken Norway

Average volumes, NOK bn	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Loans to the public								
Household	92.9	91.7	90.7	90.2	89.7	88.8	88.4	88.0
Companies	158.7	159.1	159.4	156.2	151.9	149.7	148.7	145.8
Total	251.6	250.8	250.1	246.4	241.6	238.5	237.1	233.8
Deposits and borrowing from the public								
Household	20.6	21.2	20.3	20.1	20.1	20.3	19.7	19.6
Companies	45.4	42.7	42.4	43.0	48.3	51.4	49.0	48.8
Total	66.0	63.9	62.7	63.1	68.4	71.7	68.7	68.4

Handelsbanken the Netherlands

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest income	176	174	168	157	155	142	135	125
Net fee and commission income	39	39	43	39	55	35	33	32
Net gains/losses on financial transactions	9	6	5	1	13	2	3	2
Share of profit of associates					0	0	1	1
Other income	1	0	1	0	0	1	0	0
Total income	225	219	217	197	223	180	172	160
Staff costs	-91	-90	-90	-84	-76	-72	-74	-67
Other expenses	-35	-23	-24	-21	-27	-20	-20	-18
Internal purchased and sold services	-31	-28	-26	-32	-29	-23	-24	-22
Depreciation, amortisation and impairments of property, equipment and intangible assets	-5	-4	-5	-3	-5	-3	-3	-2
Total expenses	-162	-145	-145	-140	-137	-118	-121	-109
Profit before credit losses	63	74	72	57	86	62	51	51
Net credit losses	1	1	0	12	1	1	2	-2
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
Operating profit	64	75	72	69	87	63	53	49
Profit allocation	0	1	1	0	1	0	2	0
Operating profit after profit allocation	64	76	73	69	88	63	55	49
Cost/income ratio, %	72.0	65.9	66.5	71.1	61.2	65.6	69.5	68.1
Credit loss ratio (IFRS 9), %	-0.01	-0.01	0.00	-0.12				
Credit loss ratio (IAS 39), %					-0.01	-0.01	-0.02	0.02
Allocated capital	1,743	1,659	1,581	1,558	1,465	1,443	1,375	1,276
Return on allocated capital, %	11.6	14.2	14.4	13.9	18.8	13.7	12.4	12.0
Average number of employees	307	305	298	291	283	275	274	259
Number of branches	29	29	29	28	28	27	27	26

Handelsbanken in the Netherlands, in local currency

Euro m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest income	17.1	16.7	16.2	15.8	15.8	14.9	14.0	13.1
Net fee and commission income	3.7	3.7	4.2	3.9	5.7	3.6	3.4	3.4
Net gains/losses on financial transactions	0.9	0.6	0.5	0.1	1.4	0.2	0.3	0.2
Other income	0.1	0.0	0.1	0.0	0.0	0.1	0.1	0.1
Total income	21.8	21.0	21.0	19.8	22.9	18.8	17.8	16.8
Staff costs	-8.8	-8.6	-8.8	-8.4	-7.8	-7.5	-7.6	-7.1
Other expenses	-3.4	-2.2	-2.3	-2.1	-2.9	-2.0	-2.1	-1.9
Internal purchased and sold services	-3.0	-2.7	-2.6	-3.1	-2.9	-2.4	-2.7	-2.1
Depreciation, amortisation and impairments of property, equipment and intangible assets	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.2	-0.3
Total expenses	-15.6	-13.9	-14.1	-14.0	-14.0	-12.3	-12.6	-11.4
Profit before credit losses	6.2	7.1	6.9	5.8	8.9	6.5	5.2	5.4
Net credit losses	0.0	0.1	0.0	1.2	0.1	0.1	0.2	-0.2
Gains/losses on disposal of property, equipment and intangible assets	0.0	0.0	0.0	-	-	-	-	-
Operating profit	6.2	7.2	6.9	7.0	9.0	6.6	5.4	5.2
Profit allocation	0.1	0.1	0.1	0.0	0.2	0.0	-0.1	0.3
Operating profit after profit allocation	6.3	7.3	7.0	7.0	9.2	6.6	5.3	5.5

Business volumes, Handelsbanken the Netherlands

Average volumes, EUR m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Loans to the public								
Household	2,599	2,456	2,339	2,218	2,136	2,027	1,891	1,780
Companies	1,969	2,054	2,042	1,997	1,803	1,697	1,717	1,695
Total	4,568	4,510	4,381	4,215	3,939	3,724	3,608	3,475
Deposits and borrowing from the public								
Household	147	136	127	118	109	92	84	78
Companies	1,044	955	956	1,077	749	710	727	768
Total	1,191	1,091	1,083	1,195	858	802	811	846

Handelsbanken Capital Markets

Handelsbanken Capital Markets

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest income	99	112	119	110	116	120	118	118
Net fee and commission income	1,030	992	997	952	789	744	859	782
Net gains/losses on financial transactions	201	130	253	221	195	157	228	399
Risk result - insurance	40	10	15	41	34	19	53	36
Other income	10	12	-2	4	14	2	3	7
Total income	1,380	1,256	1,382	1,328	1,148	1,042	1,261	1,342
Staff costs	-570	-559	-579	-570	-568	-541	-588	-544
Other expenses	-313	-236	-249	-229	-273	-201	-225	-223
Internal purchased and sold services	-35	25	6	12	23	6	4	19
Depreciation, amortisation and impairments of property, equipment and intangible assets	-34	-35	-30	-28	-22	-21	-22	-18
Total expenses	-952	-805	-852	-815	-840	-757	-831	-766
Profit before credit losses	428	451	530	513	308	285	430	576
Net credit losses	-2	-1	-3	16	-1	9	11	-75
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	0	-1	0	0	
Operating profit	426	450	527	529	306	294	441	501
Profit allocation	-565	-595	-602	-535	-417	-409	-424	-379
Operating profit after profit allocation	-139	-145	-75	-6	-111	-115	17	122
Cost/income ratio, %	116.8	121.8	109.2	102.8	114.9	119.6	99.3	79.5
Credit loss ratio (IFRS 9), %	-0.01	0.01	0.02	-0.09				
Credit loss ratio (IAS 39), %					0.01	-0.08	-0.10	0.67
Allocated capital	4,208	4,482	4,170	4,342	4,314	4,163	4,478	4,972
Return on allocated capital, %	-10.3	-10.2	-5.6	-0.4	-8.1	-8.6	1.1	7.7
Average number of employees	1,564	1,601	1,585	1,577	1,591	1,638	1,627	1,643

Business volumes, Handelsbanken International

Average volumes, SEK bn	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Loans to the public								
Household	6.9	6.8	6.6	6.2	5.9	5.6	5.5	5.4
Companies	24.3	24.7	25.9	25.6	25.5	24.4	26.5	29.9
Total	31.2	31.5	32.5	31.8	31.4	30.0	32.0	35.3
Deposits and borrowing from the public								
Household	5.8	4.9	4.6	4.1	4.4	4.6	3.8	3.6
Companies	51.7	53.0	62.0	54.5	70.0	69.1	53.9	36.7
Total	57.5	57.9	66.6	58.6	74.4	73.7	57.7	40.3

Markets & Asset Management

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest income	6	7	10	7	12	-8	18	12
Net fee and commission income	641	645	662	626	529	425	607	538
Net gains/losses on financial transactions	289	159	244	230	216	173	235	406
Other income	8	7	-3	2	10	3	0	1
Total income	944	818	913	865	767	593	860	957
Staff costs	-260	-252	-261	-255	-261	-236	-283	-251
Other expenses	-327	-242	-250	-233	-234	-128	-249	-256
Total expenses	-587	-494	-511	-488	-495	-364	-532	-507
Profit before credit losses	357	324	402	377	272	229	328	450
Net credit losses	0	0	0	0	-	-	-	-
Operating profit	357	324	402	377	272	229	328	450
Operating profit after profit allocation	-11	-77	-12	0	-34	-55	16	170
Average number of employees	425	438	428	435	447	467	488	504

Pension & Life, International and Business Support

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest income	93	105	109	103	104	128	100	106
Net fee and commission income	389	347	335	326	260	319	252	244
Net gains/losses on financial transactions	-88	-29	9	-9	-21	-16	-7	-7
Other income	42	15	16	43	38	18	56	42
Total income	436	438	469	463	381	449	401	385
Staff costs	-310	-307	-318	-315	-307	-305	-305	-293
Other expenses	-55	-4	-23	-12	-38	-88	6	34
Total expenses	-365	-311	-341	-327	-345	-393	-299	-259
Profit before credit losses	71	127	128	136	36	56	102	126
Net credit losses	-2	-1	-3	16	-1	9	11	-75
Operating profit	69	126	125	152	35	65	113	51
Operating profit after profit allocation	-128	-68	-63	-6	-76	-60	1	-48
Average number of employees	1,139	1,163	1,157	1,142	1,144	1,171	1,139	1,139
Number of branches	11	11	12	12	12	13	13	13

Handelsbanken Liv

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Statutory Profit/loss, according to the alternative income statement								
Administration result	247	248	238	220	219	235	228	224
Risk result	40	10	15	41	35	18	53	36
Financial result	-110	-50	-14	-38	-42	-31	-29	-27
<i>of which deferred capital contribution</i>	-109	-49	-14	-34	-40	-32	-29	-25
Other	31	43	40	39	33	39	43	34
Operating profit	208	251	279	262	245	261	295	267
AUM, SEK bn, end of period	139	155	150	142	139	136	133	128
<i>of which unit-linked</i>	107	120	116	109	107	104	101	97
<i>of which portfolio bond</i>	25	27	27	24	24	24	23	22
Premiums paid, SEK m	4,117	3,464	5,772	4,380	3,466	3,600	4,806	3,528
of which portfolio bond	1,573	1,084	2,419	1,553	971	1,406	1,513	1,145
of which unit-linked	2,424	2,233	3,209	2,678	2,369	2,044	3,148	2,237
of which occupational pensions	765	719	697	717	598	688	639	571
New sales mutual funds & custody, Sweden, SEK m	916	582	1,588	803	723	687	951	836

Other and Adjustments & eliminations

Other

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest income	163	183	214	208	179	203	200	219
Net fee and commission income	-1	9	7	9	9	16	5	18
Net gains/losses on financial transactions	-128	-224	-282	-356	-261	-183	-199	-112
Share of profit of associates	-3	10	2	-9	30	14	-4	-28
Other income	222	9	861	10	605	10	10	12
Total income	253	-13	802	-138	562	60	12	109
Staff costs	-851	-817	-773	-796	-674	-683	-763	-698
Other expenses	-805	-672	-706	-755	-703	-598	-627	-663
Internal purchased and sold services	1,507	1,330	1,362	1,358	1,318	1,150		
Depreciation, amortisation and impairments of property, equipment and intangible assets	-88	-124	-94	-80	-98	-59	-60	-65
Total expenses	-237	-283	-211	-273	-157	-190	-242	-231
Profit before credit losses	16	-296	591	-411	405	-130	-230	-122
Net credit losses								
Gains/losses on disposal of property, equipment and intangible assets	1	0	0	0	0	0	0	0
Operating profit	19	-296	591	-411	405	-130	-230	-122
Profit allocation								
Operating profit after profit allocation	19	-296	591	-411	405	-130	-230	-122
Average number of employees	2,411	2,319	2,231	2,163	2,103	2,065	2,003	1,930

Adjustments & eliminations

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest income	-	-	-	-	-	-	-	-
Net fee and commission income	-	-	-	-	-	-	-	-
Net gains/losses on financial transactions	-	-	-	-	-	-	-	-
Risk result - insurance	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
Total income	-	-	-	-	-	-	-	-
Staff costs	-15	-16	-19	-20	-40	-48	-53	-55
Other expenses	-	-	-	-	-	-	-	-
Depreciation, amortisation and impairments of property, equipment and intangible assets	-	28	-14	-14	-14	-13	-15	-11
Total expenses	-15	12	-33	-34	-54	-61	-68	-66
Profit before credit losses	-15	12	-33	-34	-54	-61	-68	-66
Net credit losses	-	-	-	-	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
Operating profit	-15	12	-33	-34	-54	-61	-68	-66

Balance sheet

Balance sheet - Svenska Handelsbanken Group

SEK m	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Assets								
Cash and balances with central banks	317,217	357,440	375,243	276,999	226,314	377,821	436,848	387,092
Other loans to central banks	33,557	48,428	61,104	99,545	38,920	111,008	52,718	79,245
Interest-bearing securities eligible as collateral with central banks	122,260	145,589	141,828	103,579	129,006	112,339	119,603	97,262
Loans to other credit institutions	22,137	35,722	36,985	35,475	20,250	30,742	33,526	34,542
Loans to the public	2,189,092	2,193,712	2,194,038	2,143,107	2,065,761	2,040,589	2,011,455	1,991,434
Value change of interest-hedged item in portfolio hedge	33	31	37	36	36	36	33	31
Bonds and other interest-bearing securities	50,729	56,571	62,009	59,175	49,601	61,996	61,243	65,436
Shares	13,821	13,881	13,462	19,093	14,052	20,885	21,353	23,397
Investments in associates	259	263	254	289	297	217	212	218
Assets where the customer bears the value change risk	136,346	152,042	147,265	138,442	135,617	132,381	128,870	123,595
Derivative instruments	58,041	52,615	67,016	59,069	56,070	56,913	61,940	73,111
Reinsurance assets	12	14	14	14	14	9	9	9
Intangible assets	10,455	10,390	10,397	10,161	9,861	9,670	9,579	9,460
Property and equipment	2,229	2,243	2,289	2,252	2,238	2,404	2,353	2,363
Current tax assets	617	2,252	2,823	2,141	242	2,217	1,379	518
Deferred tax assets	1,044	376	445	355	399	394	436	534
Net pension assets	-	1,084	-	-	1,239	1,615	1,368	379
Assets held for sale	19	18	20	-	-	1	3	3
Other assets	16,880	11,416	15,334	10,420	10,715	13,565	12,302	29,034
Prepaid expenses and accrued income	3,426	3,149	3,790	3,424	6,345	6,253	5,864	5,266
Total assets	2,978,174	3,087,236	3,134,353	2,963,576	2,766,977	2,981,055	2,961,094	2,922,929
Liabilities and equity								
Due to credit institutions	194,082	194,657	211,927	193,642	174,820	205,355	202,681	205,971
Deposits and borrowing from the public	1,008,487	1,099,384	1,126,480	1,065,678	941,967	1,112,138	1,120,291	1,049,699
Liabilities where the customer bears the value change risk	136,346	152,040	147,264	138,448	135,617	132,488	128,962	123,653
Issued securities	1,394,647	1,393,819	1,406,806	1,331,913	1,276,595	1,279,283	1,264,536	1,295,668
Derivative instruments	17,360	19,137	21,960	25,902	24,876	30,147	31,654	24,297
Short positions	6,163	7,081	10,594	7,559	2,072	10,081	7,876	11,753
Insurance liabilities	542	546	552	1,165	549	554	562	599
Current tax liabilities	1,118	2,174	1,444	789	394	2,147	1,388	809
Deferred tax liabilities	5,786	5,959	5,942	6,247	6,853	7,560	7,749	7,842
Provisions	222	239	258	268	153	298	426	615
Net pension liabilities	3,226	-	525	11	-	-	-	-
Other liabilities	12,984	16,351	15,398	13,791	15,863	15,828	13,851	21,684
Accrued expenses and deferred income	3,865	3,812	3,777	4,929	12,718	13,665	13,436	15,399
Subordinated liabilities	51,085	50,827	43,147	41,621	32,896	32,560	32,782	33,199
Total liabilities	2,835,913	2,946,026	2,996,074	2,831,963	2,625,373	2,842,104	2,826,194	2,791,188
Minority interest	12	11	11	13	11	9	6	6
Share capital	3,013	3,013	3,013	3,013	3,013	3,013	3,013	3,013
Share premium	5,629	5,629	5,629	5,629	5,629	5,629	5,629	5,629
Reserves	5,098	9,455	10,629	9,192	8,106	9,215	9,339	10,237
Retained earnings	111,155	109,763	109,763	109,763	108,746	108,746	108,746	108,745
Profit for the period, attributable to shareholders in Svenska Handelsbanken AB	17,354	13,339	9,234	4,003	16,099	12,339	8,167	4,111
Total equity	142,261	141,210	138,279	131,613	141,604	138,951	134,900	131,741
Total liabilities and equity	2,978,174	3,087,236	3,134,353	2,963,576	2,766,977	2,981,055	2,961,094	2,922,929

Business volumes – Lending to the public

CREDIT POLICY

Credit process

- The credit process always starts at the branch with customer responsibility.
- In the case of large credits, decisions are made at regional and central level (the Board).
- All credits must be recommended by the branch with customer responsibility.
- The local branch's regular contact with its customers enables the branch to quickly identify any problems and take action.
- If necessary, the branch receives support from the regional head office and central units.

Basic guidelines

- The assessment starts with the borrower's repayment capacity.
- Weak repayment capacity can never be offset by collateral or high margins.
- Quality requirements must never be neglected in favour of large volume.
- Credits must normally be adequately secured.

Average volume - Loans to the public

SEK bn	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Loans to the public, average volume quarterly	2,212	2,199	2,176	2,110	2,066	2,019	2,017	1,988
Loans to the public, average volume YTD	2,174	2,162	2,143	2,110	2,023	2,008	2,002	1,988

Loans to the public by sector

Loans net	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
SEK m, end of period								
Private individuals	1,097,903	1,097,813	1,092,599	1,071,696	1,039,928	1,025,852	1,008,417	993,567
<i>of which mortgage loans in Stadshypotek</i>	<i>896,812</i>	<i>890,903</i>	<i>884,818</i>	<i>870,033</i>	<i>850,923</i>	<i>835,632</i>	<i>821,195</i>	<i>807,870</i>
<i>of which other mortgage loans</i>	<i>149,977</i>	<i>151,703</i>	<i>151,727</i>	<i>137,753</i>	<i>128,595</i>	<i>126,122</i>	<i>122,724</i>	<i>121,979</i>
<i>of which other loans to private individuals</i>	<i>51,114</i>	<i>55,207</i>	<i>56,054</i>	<i>63,910</i>	<i>60,410</i>	<i>64,098</i>	<i>64,498</i>	<i>63,718</i>
Housing co-operative associations	229,411	226,241	223,473	214,851	205,966	200,524	195,264	190,917
<i>of which mortgage loans in Stadshypotek</i>	<i>192,510</i>	<i>188,895</i>	<i>186,133</i>	<i>179,357</i>	<i>172,253</i>	<i>168,070</i>	<i>163,870</i>	<i>159,579</i>
Property management, Note 1	598,002	602,079	604,178	591,767	564,667	554,230	547,999	542,581
Manufacturing	27,153	26,870	32,319	27,518	26,922	27,499	25,449	27,479
Retail	22,089	23,011	22,332	21,636	21,081	22,655	23,588	23,405
Hotels and restaurants	8,975	9,028	8,729	8,869	8,334	8,902	8,444	8,392
Shipping, passenger & goods transport by sea	6,980	8,219	8,914	8,374	7,174	6,938	7,486	8,235
Other transport and communication	14,439	14,797	15,382	16,409	16,063	17,238	15,425	14,927
Construction	21,296	22,931	23,484	21,525	19,519	19,873	18,450	19,066
Electricity, gas, water	20,498	21,829	22,547	22,540	21,912	23,979	23,974	24,504
Agriculture, hunting and forestry	15,706	15,462	14,736	13,576	13,018	12,446	11,716	11,567
Other service industry	23,833	23,550	23,397	22,561	21,993	18,342	18,724	19,000
Holding companies, insurance companies, funds etc.	75,503	74,052	67,451	69,459	67,556	68,814	72,200	71,057
State & municipalities	10,874	12,449	11,807	12,562	13,611	13,197	13,361	15,967
<i>of which loans to the National Debt Office</i>	<i>120</i>	<i>364</i>	<i>160</i>	<i>328</i>	<i>1,831</i>	<i>638</i>	<i>1,376</i>	<i>2,138</i>
Other corporate lending	16,430	15,381	22,690	19,764	18,480	20,515	21,361	21,110
Total loans to the public, before taking into account collective provisions	2,189,092	2,193,712	2,194,038	2,143,107	2,066,224	2,041,004	2,011,858	1,991,774
Collective provisions					-463	-415	-403	-340
Total loans to the public	2,189,092	2,193,712	2,194,038	2,143,107	2,065,761	2,040,589	2,011,455	1,991,434

Specification of Loans to the public after deduction of provisions - Property management

SEK m, end of period	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Lending in Sweden								
State-owned property companies	5,066	4,045	4,045	4,350	4,329	4,329	4,427	4,228
Municipal-owned property companies	7,971	8,149	8,450	8,648	8,874	8,934	8,999	9,561
Residential property companies	111,620	108,080	107,603	106,716	105,994	102,838	101,682	100,131
<i>of which mortgage loans in Stadshypotek</i>	97,333	94,910	94,195	93,130	92,260	89,624	88,507	87,030
Other property companies	126,923	126,687	127,129	125,848	125,098	129,077	127,959	124,864
<i>of which mortgage loans in Stadshypotek</i>	56,308	54,772	53,550	52,628	52,930	54,628	55,092	53,366
Total lending in Sweden	251,580	246,961	247,227	245,562	244,295	245,178	243,067	238,784
Lending outside Sweden								
Denmark	20,731	20,692	21,190	20,600	20,297	20,724	20,169	19,476
Finland	41,188	41,611	41,297	40,441	37,298	35,586	35,944	34,316
Norway	111,646	117,865	118,879	112,914	104,219	103,386	101,167	102,822
Great Britain	136,950	139,148	139,535	136,624	125,504	118,806	116,268	115,677
The Netherlands	31,449	31,986	31,115	30,055	27,628	25,884	24,635	23,949
Other countries	4,458	3,816	4,935	5,571	5,426	4,666	6,749	7,557
Total lending outside Sweden	346,422	355,118	356,951	346,205	320,372	309,052	304,932	303,797
Total lending - Property management	598,002	602,079	604,178	591,767	564,667	554,230	547,999	542,581

Credit risk exposure

SEK m	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Cash and balances with central banks	317,217	357,440	375,243	276,999	226,314	377,821	436,848	387,092
Other loans to central banks	33,557	48,428	61,104	99,545	38,920	111,008	52,718	79,245
Loans to the public	2,189,092	2,193,712	2,194,038	2,143,107	2,065,761	2,040,589	2,011,455	1,991,434
<i>of which reverse repos</i>	9,049	8,645	8,726	6,698	6,607	7,126	8,322	11,182
Loans to other credit institutions	22,137	35,722	36,985	35,475	20,250	30,742	33,526	34,542
<i>of which reverse repos</i>	2,756	9,353	11,116	11,032	1,338	5,738	11,175	10,805
Interest-bearing securities eligible as collateral with central banks	122,260	145,589	141,828	103,579	129,006	112,339	119,603	97,262
Bonds and other interest-bearing securities	50,729	56,571	62,009	59,175	49,601	61,996	61,243	65,436
Derivative instruments*	58,041	52,615	67,016	59,069	56,070	56,913	61,940	73,111
Contingent liabilities	92,939	89,952	89,404	88,634	75,666	75,666	75,293	80,481
<i>of which guarantees, credits</i>	10,319	10,248	10,079	9,729	10,177	9,936	10,088	9,839
<i>of which guarantees, other</i>	75,290	72,333	73,291	72,274	57,878	59,119	58,620	64,512
<i>of which letters of credit</i>	7,330	7,371	6,034	6,631	7,611	6,611	6,585	6,130
Commitments	458,772	463,080	459,482	457,688	443,383	439,836	441,532	427,927
<i>of which unutilised part of granted overdraft facilities</i>	123,744	124,264	125,580	129,845	131,121	130,647	131,721	132,366
<i>of which loan commitments</i>	314,437	310,331	309,984	299,383	290,643	286,953	290,250	273,876
<i>of which other</i>	20,591	28,485	23,918	28,460	21,619	22,236	19,561	21,685
Total	3,344,744	3,443,109	3,487,109	3,323,271	3,104,971	3,306,910	3,294,158	3,236,530

* Refers to the total of positive market values.

Credit risk exposure by country

SEK m	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Sweden	1,903,911	1,931,555	1,927,853	1,900,265	1,827,830	1,886,604	1,805,480	1,808,377
Great Britain	364,780	383,045	380,447	350,125	354,400	359,425	348,415	341,880
Norway	327,510	346,766	359,949	348,963	315,786	322,225	335,810	332,345
Denmark	158,720	162,393	172,811	169,561	156,471	150,745	150,712	150,633
Finland	308,921	288,042	288,589	290,116	248,210	260,341	272,680	267,295
The Netherlands	57,802	62,027	66,106	53,106	46,917	44,721	43,106	40,467
Other countries	223,100	269,281	291,354	211,135	155,357	282,849	337,955	295,533
Total	3,344,744	3,443,109	3,487,109	3,323,271	3,104,971	3,306,910	3,294,158	3,236,530

Loans to the public - by country *

SEK bn, end of period	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Handelsbanken Sweden	1,365	1,351	1,346	1,325	1,303	1,292	1,276	1,250
Handelsbanken UK	235	238	238	233	213	207	200	200
Handelsbanken Denmark	106	107	107	105	99	95	95	94
Handelsbanken Finland	139	140	140	136	124	123	123	122
Handelsbanken Norway	258	274	277	262	245	245	240	243
Handelsbanken the Netherlands	48	47	46	45	40	37	35	34
Handelsbanken International	30	31	32	31	31	30	30	32
Other	8	6	7	6	9	11	12	14
Total	2,189	2,193	2,194	2,143	2,064	2,040	2,010	1,989

* Excluding loans to the National Debt Office.

Loans to households - by country

SEK bn, end of period	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Handelsbanken Sweden	845	839	832	819	806	796	785	770
<i>of which Stadshypotek</i>	<i>800</i>	<i>790</i>	<i>782</i>	<i>771</i>	<i>759</i>	<i>745</i>	<i>733</i>	<i>719</i>
Handelsbanken UK	76	77	77	76	70	69	67	67
Handelsbanken Denmark	65	65	65	64	61	58	57	56
Handelsbanken Finland	44	44	44	43	38	37	37	36
Handelsbanken Norway	96	101	101	95	90	91	89	92
Handelsbanken the Netherlands	28	26	25	24	21	20	19	18
Handelsbanken International	7	7	7	6	6	6	6	5
Other	1	-1	0	2	4	3	2	3
Total	1,162	1,158	1,151	1,129	1,095	1,080	1,062	1,047

Loans to Companies - by country *

SEK bn, end of period	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Handelsbanken Sweden	520	512	514	506	497	496	491	480
<i>of which Stadshypotek</i>	<i>316</i>	<i>306</i>	<i>303</i>	<i>296</i>	<i>292</i>	<i>288</i>	<i>284</i>	<i>278</i>
Handelsbanken UK	159	161	161	157	143	138	133	133
Handelsbanken Denmark	41	42	42	41	38	37	38	38
Handelsbanken Finland	95	96	96	93	86	86	86	86
Handelsbanken Norway	162	173	176	167	155	154	151	151
Handelsbanken the Netherlands	20	21	21	21	19	17	16	16
Handelsbanken International	23	24	25	25	25	24	24	27
Other	8	6	8	4	5	8	10	11
Total	1,027	1,035	1,043	1,014	968	960	949	942

* Excluding loans to the National Debt Office.

Business volumes – Savings and deposits

Assets under management, Handelsbanken Group

SEK bn, end of period	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Mutual funds, excl. PPM and Unit-linked	365	401	387	373	362	354	340	332
PPM	33	36	35	33	32	30	29	28
Unit-linked insurance	107	120	116	110	107	104	102	97
<i>of which external mutual funds</i>	-2	-3	-4	-3	-3	-3	-3	-3
Total mutual funds	503	554	534	513	498	485	468	454
Structured products	9	9	10	12	13	14	15	16
Portfolio bond insurance	25	27	27	24	24	24	23	22
<i>of which in mutual funds and structured products</i>	-10	-11	-11	-10	-10	-9	-9	-8
Traditional insurance	8	8	8	8	8	8	8	8
<i>of which in mutual funds and structured products</i>	-1	-1	-1	-1	-1	-1	-1	-1
Discretionary and Institutional assets, excl. insurance	233	241	236	229	224	221	216	216
<i>of which in mutual funds and structured products</i>	-148	-157	-152	-148	-144	-143	-138	-134
Total assets under management, excl. securities in custody	619	670	651	627	612	599	582	573
Securities in custody, excl. mutual funds	333	363	346	340	344	355	357	347
Securities in custody, excl. mutual funds, foundations associated with Handelsbanken	47	55	50	51	53	55	56	56

* Including the whole volume managed by Heartwood, of which SEK 29 bn in Heartwoods mutual funds.

Assets in mutual funds per country

SEK bn, end of period	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Sweden	440	484	467	446	440	427	416	401
Denmark	18	20	19	18	18	17	17	16
Finland	14	14	13	13	11	11	10	10
Norway	25	29	27	25	22	22	20	18
The Netherlands	6	6	6	6	6	6	6	6
Other countries and eliminations	-	1	2	5	1	2	-1	3
Total mutual funds	503	554	534	513	498	485	468	454
Great Britain (Heartwood)	29	30	30	28	26	24	23	22
Total	532	584	564	541	524	509	491	476

Net savings in the Bank's mutual funds

SEK bn	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Sweden	-0.5	6.1	3.0	4.4	5.9	5.3	5.8	5.0
Denmark	0.5	0.1	0.1	0.7	0.1	0.1	0.8	1.3
Finland	3.8	1.0	-0.6	1.2	-0.2	0.3	0.3	-0.6
Norway	-0.2	1.1	0.3	0.8	0.9	0.6	1.8	1.0
The Netherlands	-1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other countries and eliminations	1.0	0.0	0.1	-0.1	-0.3	0.4	-1.6	1.2
Total mutual funds	3.0	8.3	2.9	7.0	6.4	6.7	7.1	7.9
Great Britain (Heartwood)	0.5	0.4	0.9	0.8	0.9	0.7	1.3	0.6
Total	3.5	8.7	3.8	7.8	7.3	7.4	8.4	8.5

Deposits and borrowing from the public - by country

SEK bn, end of period	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Handelsbanken Sweden	606	607	595	590	569	567	560	561
Handelsbanken UK	169	159	162	153	146	142	136	126
Handelsbanken Denmark	46	45	51	40	41	39	44	34
Handelsbanken Finland	48	45	45	46	41	43	40	39
Handelsbanken Norway	64	67	69	65	60	68	66	72
Handelsbanken the Netherlands	7	10	12	13	7	8	7	9
Handelsbanken International	47	64	58	63	43	78	63	50
Other	22	102	134	96	35	167	203	159
Total	1,008	1,099	1,126	1,066	942	1,112	1,120	1,050

Deposits and borrowing from households - by country

SEK bn, end of period	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Handelsbanken Sweden	362	360	356	344	336	335	328	314
Handelsbanken UK	56	56	56	52	48	45	41	38
Handelsbanken Denmark	20	19	20	18	17	17	17	16
Handelsbanken Finland	17	17	17	16	15	16	15	14
Handelsbanken Norway	21	23	24	21	20	21	21	20
Handelsbanken the Netherlands	1.7	1.5	1.5	1.3	1.1	1.0	0.9	0.8
Handelsbanken International	6	6	5	4	4	5	4	4
Other	3	2	1	3	4	3	3	3
Total	486	485	481	459	445	443	430	410

Deposits and borrowing from Companies - by country

SEK bn, end of period	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Handelsbanken Sweden	244	247	238	245	233	232	232	247
Handelsbanken UK	113	103	106	101	98	97	95	88
Handelsbanken Denmark	26	26	31	22	24	22	27	18
Handelsbanken Finland	31	28	28	30	26	27	25	25
Handelsbanken Norway	43	44	45	44	40	47	45	52
Handelsbanken the Netherlands	5	8	10	12	6	7	6	8
Handelsbanken International	41	58	53	59	39	73	59	46
Other	19	100	133	93	31	164	200	156
Total	522	615	644	606	497	669	690	640

Own funds and capital requirement

Own funds CRR

SEK m	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
TIER 1 CAPITAL								
Equity, Group	142,261	141,210	138,279	131,613	141,604	138,951	134,900	131,741
Accrued unpaid dividend previous year	-	-	-	-	-	-	-	-
Accrued dividend current year	-10,693	-12,104	-8,389	-3,620	-14,581	-7,759	-5,127	-2,595
Adjustment of Group result	-779	-657	-444	-210	-820	-629	-429	-195
Adjustment of Group equity	2,616	2,582	2,549	2,529	3,337	3,311	3,289	3,267
Minority interests	-12	-11	-11	-13	-11	-9	-6	-6
Equity (consolidated entities)	133,393	131,020	131,984	130,299	129,529	133,865	132,627	132,212
Deducted items								
Goodwill and other intangible assets	-10,390	-10,323	-10,328	-10,091	-9,787	-9,599	-9,513	-9,409
Value adjustments (fair value)	-375	-397	-385	-386	-409	-426	-477	-633
Negative amounts resulting from the calculation of expected loss amounts	-2,047	-1,907	-1,974	-1,748	-2,357	-2,246	-2,272	-2,270
Positions in securitisation	-	-	-	-	-	-	-	-
Net pension assets	-	-	-	-	-	-	-	-
Own shares	-508	-565	-516	-551	-569	-619	-607	-622
Adjustments in accordance with stability filter								
Cash flow hedges	-1,263	956	-377	168	-654	-1,464	-1,907	-2,749
Unrealised accumulated gains, shares	-	-	-	-	-	-	-	-
Common equity tier 1 capital, gross	118,810	118,784	118,404	117,691	115,753	119,511	117,851	116,529
Threshold deductions								
Capital contributions to unconsolidated financial entities >10% CET1	-	-	-	-	-	-	-	-
Deferred tax assets >10% CET1	-	-	-	-	-	-	-	-
Amount of capital contributions and deferred tax assets >15%	-	-	-	-	-	-	-	-
Common equity tier 1 capital	118,810	118,784	118,404	117,691	115,753	119,511	117,851	116,529
Additional tier 1 instruments	12,653	12,599	12,685	11,934	11,746	11,718	12,011	12,598
Total tier 1 capital	131,463	131,383	131,089	129,625	127,499	131,229	129,862	129,127
TIER 2 CAPITAL								
Subordinated loans	18,325	18,415	26,495	26,096	17,745	14,469	17,431	17,293
Positive amounts resulting from the calculation of expected loss amounts	-	-	-	37	-	-	-	-
Tier 2 contribution in unconsolidated financial entities	-1,129	-1,129	-1,129	-1,129	-1,129	-1,129	-1,129	-1,129
Total tier 2 capital	17,196	17,286	25,366	25,004	16,616	13,340	16,302	16,164
Total own funds	148,659	148,669	156,455	154,629	144,115	144,569	146,164	145,291

Available Distributable Items (ADI)

SEK m	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Available Distributable Items (ADI)	118,810	102,197	103,093	102,457	115,753	101,971	101,639	116,529
Deducted dividend	10,693	3,805	2,611	624	14,581	3,420	2,482	2,595
Minimum capital requirement	-31,841	-27,632	-27,986	-27,466	-22,906	-21,141	-20,990	-22,026
Capital conservation buffer	-17,689	-15,351	-15,548	-15,259	-12,726	-11,745	-11,661	-12,236
Countercyclical capital buffer	-10,764	-8,534	-8,709	-8,168	-6,121	-5,477	-5,415	-5,524
Systemic risk buffer	-21,227	-	0	0	-15,271	0	0	-14,684
Total Available Distributable Items	47,982	54,485	53,462	52,188	73,310	67,028	66,055	64,654

The numbers are calculated both for the consolidated situation and the parent company. The ADI equals the lower of the two numbers.

Common equity tier 1 ratio, CRR

= Common Equity Tier 1 capital in relation to Risk Exposure Amount.

SEK m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Credit risk according to standardised approach	87,451	90,106	91,877	88,502	83,833	82,243	82,608	79,126
Credit risk according to IRB Approach	378,089	376,834	378,236	375,609	348,386	345,377	344,497	329,180
Risk weight floor Swedish mortgages	163,123							
Market risk	9,765	10,835	13,906	11,978	10,310	12,437	10,004	11,705
Credit valuation adjustment risk (CVA)	5,219	6,270	5,811	5,877	4,890	5,743	5,477	7,832
Operational risk	63,932	63,932	63,932	63,932	61,613	61,613	61,613	61,613
Total risk exposure amount	707,579	547,977	553,762	545,898	509,032	507,413	504,199	489,456
Common equity tier 1 capital	118,810	118,784	118,404	117,691	115,753	119,511	117,851	116,529
Common equity tier 1 ratio, CRR	16.8%	21.7%	21.4%	21.6%	22.7%	23.6%	23.4%	23.8%

Capital adequacy analysis

	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Common equity tier 1 ratio, CRR	16.8%	21.7%	21.4%	21.6%	22.7%	23.6%	23.4%	23.8%
Tier 1 ratio, CRR	18.6%	24.0%	23.7%	23.7%	25.0%	25.9%	25.8%	26.4%
Total capital ratio, CRR	21.0%	27.1%	28.3%	28.3%	28.3%	28.5%	29.0%	29.7%
Own funds in relation to capital requirement according to Basel I floor					142%	144%	148%	149%

Capital requirement

SEK m	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Credit risk according to standardised approach	6,996	7,208	7,350	7,080	6,707	6,579	6,609	6,330
Credit risk according to IRB Approach	30,247	30,147	30,259	30,049	27,871	27,630	27,560	26,334
Risk weight floor Swedish mortgages	13,050							
Total capital requirement for market risks	781	867	1,112	958	825	995	800	936
Credit valuation adjustment risk (CVA)	417	501	465	470	391	460	438	627
Operational risk	5,115	5,115	5,115	5,115	4,929	4,929	4,929	4,929
Total capital requirement	56,606	43,838	44,301	43,672	40,723	40,593	40,336	39,156
Adjustment according to Basel I floor					62,125	61,403	60,239	59,790
Capital requirement, Basel I floor					102,848	101,996	100,575	98,946
Total own funds, Basel I floor					146,472	146,815	148,436	147,561

Capital requirement market risks

SEK m	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Outright products								
Interest rate risk	764	846	1,086	937	808	973	784	916
<i>of which general risk</i>	631	706	827	698	572	649	497	616
<i>of which specific risk</i>	133	140	259	239	236	324	287	300
Equity price risk	7	8	10	9	9	6	6	6
<i>of which general risk</i>	2	3	4	3	3	1	1	2
<i>of which specific risk</i>	5	5	6	6	6	5	4	4
<i>of which mutual funds</i>	0	0	0	0	0	0	1	0
Exchange rate risk	-	-	-	-	-	-	-	-
Commodities risk	7	8	12	8	5	10	7	8
Options								
Scenario approach	3	5	4	4	3	6	3	6
<i>of which interest rate risk</i>	0	0	0	0	0	1	0	1
<i>of which equity risk</i>	3	5	4	4	3	5	3	5
<i>of which exchange rate risk</i>	-	-	-	-	-	-	-	-
<i>of which commodity risk</i>	0	0	0	0	0	0	0	0
Securitisation (specific risk)	-	-	-	-	-	-	-	-
Settlement risk	0	-	0	0	0	-	0	-
Total capital requirement for market risks	781	867	1,112	958	825	995	800	936

Credit risks IRB approach

Exposure amount								
SEK m	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Sovereign and central banks	440,789	497,192	532,880	474,366	357,719	586,231	581,859	
Corporate	908,004	912,003	920,459	894,483	852,845	845,155	840,765	834,609
Corporate lending	888,991	891,885	898,228	871,623	835,665	823,026	818,366	807,818
<i>of which other loans foundation approach *</i>	125,126	125,052	122,266	116,290	109,608	107,830	109,110	107,315
<i>of which other loans advanced approach *</i>	763,865	766,833	775,962	755,333	726,057	715,196	709,256	700,503
<i>of which large companies</i>	154,297	156,110	163,283	158,459	152,189	147,880	149,881	148,270
<i>of which medium-sized companies</i>	85,130	86,392	85,723	83,805	80,590	81,358	78,803	78,917
<i>of which property companies</i>	524,438	524,332	526,957	513,069	493,278	485,958	480,572	473,316
Counterparty risk	19,013	20,118	22,231	22,860	17,180	22,129	22,399	26,791
Housing co-operative associations	216,026	212,173	208,464	203,522	195,265	191,056	186,293	181,339
Retail	1,079,337	1,077,788	1,068,240	1,048,003	1,026,668	1,015,343	1,000,376	990,618
Private individuals	1,054,730	1,052,545	1,043,446	1,022,925	1,001,733	989,914	974,568	964,069
<i>of which property loans</i>	991,558	988,538	979,538	946,488	925,491	912,824	897,973	883,931
<i>of which other loans</i>	63,172	64,007	63,908	76,437	76,242	77,090	76,595	80,138
Small companies	24,607	25,243	24,794	25,078	24,935	25,429	25,808	26,549
Institutions	86,423	93,033	96,451	87,550	72,223	74,545	86,065	103,285
Lending to institutions	17,559	16,620	19,319	17,679	16,332	15,048	15,523	17,498
Counterparty risk	68,864	76,413	77,132	69,871	55,891	59,497	70,542	85,787
<i>of which repos and securities loans</i>	10,379	24,625	21,160	22,733	7,667	14,707	18,069	18,505
<i>of which derivatives</i>	58,485	51,788	55,972	47,138	48,224	44,790	52,473	67,282
Equity exposures	2,121	2,811	1,294	1,541	1,512	2,362	2,128	1,389
<i>of which listed shares</i>	545	1,158	-	4	661	981	766	-
<i>of which other shares</i>	1,576	1,653	1,294	1,537	851	1,381	1,362	1,389
Non credit-obligation assets	2,239	2,243	2,288	2,251	2,238	2,404	2,353	2,363
Securitisation positions	22	22	22	21	20	20	21	22
Total IRB approach	2,734,961	2,797,265	2,830,098	2,711,737	2,508,490	2,717,116	2,699,860	2,113,625

Risk-weighted exposure amount

SEK m	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Sovereign and central banks	7,694	8,454	8,992	8,578	7,474	9,799	9,659	
Corporates	250,750	252,880	258,984	257,520	237,107	228,919	230,800	222,058
Corporate lending	247,764	250,027	255,474	254,083	233,707	225,363	226,639	218,014
<i>of which other loans foundation approach *</i>	37,526	36,863	37,014	35,167	32,467	29,053	30,858	28,684
<i>of which other loans advanced approach *</i>	210,238	213,164	218,460	218,916	201,240	196,310	195,781	189,330
<i>of which large companies</i>	57,241	59,088	62,834	63,434	58,176	55,072	55,131	53,222
<i>of which medium-sized companies</i>	37,275	38,299	37,899	38,264	37,839	38,401	37,042	36,516
<i>of which property companies</i>	115,722	115,777	117,727	117,218	105,225	102,837	103,608	99,592
Counterparty risk	2,986	2,853	3,510	3,437	3,400	3,556	4,161	4,044
Housing co-operative associations	9,902	10,208	10,171	10,650	9,974	10,164	8,871	8,591
Households	85,185	77,893	77,427	74,416	72,574	71,397	71,523	72,965
Private individuals	77,746	70,514	70,122	67,504	65,742	64,535	64,412	65,812
<i>of which property loans</i>	62,459	56,465	56,249	52,562	51,092	50,386	50,295	48,827
<i>of which other loans</i>	15,287	14,049	13,873	14,942	14,650	14,149	14,117	16,985
Small companies	7,438	7,379	7,305	6,912	6,832	6,862	7,111	7,153
Institutions	14,858	15,632	15,562	16,475	13,929	14,717	14,007	18,041
Lending to institutions	5,640	4,810	6,102	5,666	5,232	4,895	5,128	5,959
Counterparty risk	9,218	10,822	9,460	10,809	8,697	9,822	8,879	12,082
<i>of which repos and securities loans</i>	455	718	642	652	173	317	312	378
<i>of which derivatives</i>	8,763	10,105	8,818	10,157	8,524	9,506	8,567	11,704
Equity exposures	7,410	9,473	4,788	5,697	5,068	7,956	7,262	5,139
<i>of which listed shares</i>	1,581	3,359	-	12	1,916	2,844	2,220	-
<i>of which other shares</i>	5,829	6,114	4,788	5,685	3,152	5,112	5,042	5,139
Exposures without a counterparty	2,239	2,243	2,288	2,251	2,238	2,404	2,353	2,363
Securitisation positions	51	51	24	22	22	21	22	23
Total IRB approach	378,089	376,834	378,236	375,609	348,386	345,377	344,497	329,180
Risk weight floor Swedish mortgages**	163,123							
Total IRB approach with effect of risk weight floor Swedish mortgages	541,212							

* The foundation approach refers to the IRB Approach without own estimates of LGD and CF. The advanced approach refers to the IRB Approach with own estimates of LGD and CF.

** The exposure amount which is affected by the rules for risk weight floor, Swedish mortgage loans is SEK 795,278m at 31 December 2018

Capital requirement

	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
SEK m								
Sovereign and central banks	616	676	719	686	598	784	772	
Corporates	20,060	20,230	20,719	20,601	18,969	18,314	18,464	17,765
Corporate lending	19,821	20,002	20,438	20,326	18,697	18,030	18,131	17,441
<i>of which other loans foundation approach *</i>	3,002	2,949	2,961	2,813	2,598	2,325	2,469	2,295
<i>of which other loans advanced approach *</i>	16,819	17,053	17,477	17,513	16,099	15,705	15,662	15,146
<i>of which large companies</i>	4,579	4,727	5,027	5,075	4,654	4,406	4,411	4,258
<i>of which medium-sized companies</i>	2,982	3,064	3,032	3,061	3,027	3,072	2,963	2,921
<i>of which property companies</i>	9,258	9,262	9,418	9,377	8,418	8,227	8,288	7,967
Counterparty risk	239	228	281	275	272	284	333	324
Housing co-operative associations	791	818	814	853	798	813	710	687
Households	6,815	6,231	6,194	5,953	5,806	5,712	5,722	5,837
Private individuals	6,220	5,641	5,610	5,400	5,259	5,163	5,153	5,265
<i>of which property lending</i>	4,997	4,517	4,500	4,205	4,087	4,031	4,024	3,906
<i>of which other lending</i>	1,223	1,124	1,110	1,195	1,172	1,132	1,129	1,359
Small companies	595	590	584	553	547	549	569	572
Institutions	1,189	1,251	1,245	1,318	1,114	1,177	1,121	1,443
Lending to institutions	452	385	488	453	418	392	410	477
Counterparty risk	737	866	757	865	696	786	710	966
<i>of which repos and securities loans</i>	36	57	51	52	14	25	25	30
<i>of which derivatives</i>	701	809	705	813	682	760	685	936
Equity exposures	593	758	383	456	405	636	581	411
<i>of which listed shares</i>	126	269	-	1	153	227	178	-
<i>of which other shares</i>	467	489	383	455	252	409	403	411
Exposures without a counterparty	179	179	183	180	179	192	188	189
Securitisation positions	4	4	2	2	2	2	2	2
Total IRB approach	30,247	30,147	30,259	30,049	27,871	27,630	27,560	26,334
Risk weight floor Swedish mortgages**	13,050							
Total IRB approach with effect of risk weight floor								
Swedish mortgages	43,297							

Average risk weight, %

	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Sovereign and central banks	1.7	1.7	1.7	1.8	2.1	1.7	1.7	
Corporates	27.6	27.7	28.1	28.8	27.8	27.1	27.5	26.6
Corporate lending	27.9	28.0	28.4	29.2	28.0	27.4	27.7	27.0
<i>of which other loans foundation approach *</i>	30.0	29.5	30.3	30.2	29.6	26.9	28.3	26.7
<i>of which other loans advanced approach *</i>	27.5	27.8	28.2	29.0	27.7	27.4	27.6	27.0
<i>of which large companies</i>	37.1	37.9	38.5	40.0	38.2	37.2	36.8	35.9
<i>of which medium-sized companies</i>	43.8	44.3	44.2	45.7	47.0	47.2	47.0	46.3
<i>of which property companies</i>	22.1	22.1	22.3	22.8	21.3	21.2	21.6	21.0
Counterparty risk	15.7	14.2	15.8	15.0	19.8	16.1	18.6	15.1
Housing co-operative associations	4.6	4.8	4.9	5.2	5.1	5.3	4.8	4.7
Households	7.9	7.2	7.2	7.1	7.1	7.0	7.1	7.4
Private individuals	7.4	6.7	6.7	6.6	6.6	6.5	6.6	6.8
<i>of which property lending</i>	6.3	5.7	5.7	5.6	5.5	5.5	5.6	5.5
<i>of which other lending</i>	24.2	21.9	21.7	19.5	19.2	18.4	18.4	21.2
Small companies	30.2	29.2	29.5	27.6	27.4	27.0	27.6	26.9
Institutions	17.2	16.8	16.1	18.8	19.3	19.7	16.3	17.5
Lending to institutions	32.1	28.9	31.6	32.1	32.0	32.5	33.0	34.1
Counterparty risk	13.4	14.2	12.3	15.5	15.6	16.5	12.6	14.1
<i>of which repos and securities loans</i>	4.4	2.9	3.0	2.9	2.3	2.2	1.7	2.0
<i>of which derivatives</i>	15.0	19.5	15.8	21.5	17.7	21.2	16.3	17.4
Equity exposures	349.4	337.0	370.0	369.8	335.1	336.8	341.2	370.0
<i>of which listed shares</i>	290.0	290.0	-	290.0	290.0	290.0	290.0	-
<i>of which other shares</i>	370.0	370.0	370.0	370.0	370.0	370.0	370.0	370.0
Exposures without a counterparty	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Securitisation positions	229.2	229.2	106.0	100.0	106.0	106.0	106.0	106.0
Total IRB approach	13.8	13.5	13.4	13.9	13.9	12.7	12.8	15.6
Risk weight floor Swedish mortgages**								
Total IRB approach with effect of risk weight floor								
Swedish mortgages	19.8	13.5	13.4	13.9	13.9	12.7	12.8	15.6

* The foundation approach refers to the IRB Approach without own estimates of LGD and CF. The advanced approach refers to the IRB Approach with own estimates of LGD and CF.

** The exposure amount which is affected by the rules for risk weight floor, Swedish mortgage loans is SEK 795,278m at 31 December 2018

Funding

Handelsbanken is a regular issuer in both the domestic and international markets of short- as well as long-term debt. The objective is to have a well-diversified funding structure in terms of currency, market and product. The Central Treasury Department has the overall responsibility for the Group's liquidity and funding. Both the maturity structure of the funding and the liquidity position are monitored closely.

Short-term funding is mainly raised through commercial paper programmes in Sweden, Europe and the United States. These programmes are supplemented by borrowing in the international interbank market.

Long-term funding is, among other things, raised through issuance of covered bonds in the name of Stadshypotek, mainly in Swedish kronor in the domestic market, and utilisation of other available funding programmes of the bank.

In order to ensure flexibility and efficient access to the various markets, a number of funding programmes have been established. They constitute the framework for the Group's funding operations.

The Bank is aiming at having a well-balanced funding mix between covered and senior, unsecured bonds.

Funding

SEK m (carrying amount)	31 Dec 2018	Of which up to 12 mths	Other maturities	Unspec. maturity
Deposits and borrowing from the public	1,008,487	36,672	9,108	962,707
Due to credit institutions	194,082	154,906	8,699	30,477
Issued securities	1,394,647	653,553	741,094	0
<i>of which Bonds</i>	907,150			
<i>of which covered bonds (Stadshypotek)</i>	617,466			
<i>of which other bonds</i>	289,684			
<i>of which Certificates</i>	487,497			
<i>of which Certificate of deposits (CD:s)</i>	349,063			
<i>of which Commercial paper (CP:s)</i>	129,099			
Total	2,597,216	845,131	758,901	993,184
Subordinated liabilities	51,085			
Equity	142,261			
Total funding	2,790,562			

During the fourth quarter of 2018, the issued bond volume was SEK 51 billion. The volume of issued covered bonds was SEK 36 billion, 15 billion of senior bonds and 8 billion of subordinated loans. Maturing bond volume during the quarter was SEK 57 billion. The volume of so called CD's (Certificates of Deposit) in USD amounted to USD 33.0 billion at the 31 of December 2018.

Long-term funding

SEK bn	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Issued during the quarter								
Senior bonds	15	12	35	8	0	12		10
Covered bonds	36	39	33	53	51	22	18	47
Subordinated loans		8		8	3			
Total bonds	51	59	68	69	54	34	18	57
Extendible notes								
Total issued	51	59	68	69	54	34	18	57
Matured during the quarter	-57	-6	-43	-80	-18	-28	-69	-37
Net	-6	53	25	-11	36	6	-51	20

Maturity profile

31 December 2018	2019	2020	2021	2022	2023	2024-
Senior bonds	61	65	66	49	32	7
Covered bonds	109	99	154	83	84	67
Total	170	164	220	132	116	74

Selection of international issues during last 12 months

Jan 2018	GBP 750m 5Y FRN Covered bond 3ME +22 bps
Feb 2018	EUR 750 m Tier 2 10NC5 Subordinated MS +80 bps
Mar 2018	EUR 750 m 5Y FXD Senior MS +12 bps
May 2018	USD 1250 m 3Y FXD T +65
May 2018	USD 1250 m 3Y FRN 3M \$L +47 bp
Jun 2018	EUR 150 m 10Y FRN MS +35 bp
Jun 2018	GBP 500 m 4Y FRN 3M L +50 bp
Jun 2018	EUR 500 m 5Y MS + 23 bp, Green Bond
Jul 2018	EUR 1000 m 7Y FXD Covered bond MS +3bps
Aug 2018	EUR 750m Tier 2 10,5NC5,5 Subordinated MS+127
Sep 2018	AUD 900m 5Y FXD/Float Senior BBW +98 bps
Nov 2018	USD 1400m 5Y FXD Senior T+95 bps

Non-Encumbered Assets (NEA)

31 December 2018		
SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding*
Holdings with central banks and securities in the liquidity portfolio	527	55%
Mortgage loans	645	122%
Other household lending	184	141%
Property company lending lowest risk class (1-3)	288	171%
Other corporate lending lowest risk class (1-3)	151	186%
Loans to credit institutions lowest risk class (1-3)	16	188%
Other corporate lending	269	216%
Other assets	0	216%
Total non-encumbered assets (NEA)	2,080	216%
Encumbered assets without underlying liabilities**	60	
Encumbered assets with underlying liabilities	838	
Total assets, Group	2,978	

31 December 2017		
SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding*
Holdings with central banks and securities in the liquidity portfolio	444	53%
Mortgage loans	549	118%
Other household lending	190	141%
Property company lending lowest risk class (1-3)	276	174%
Other corporate lending lowest risk class (1-3)	141	191%
Loans to credit institutions lowest risk class (1-3)	19	193%
Other corporate lending	248	223%
Other assets	9	224%
Total non-encumbered assets (NEA)	1,876	224%
Encumbered assets without underlying liabilities**	61	
Encumbered assets with underlying liabilities	830	
Total assets, Group	2,767	

* Issued short and long non-secured funding and liabilities to credit institutions.

** Over-collateralisation in cover pool (OC).

Assets pledged

31 December 2018	Central bank funding	Payment systems/ securities settlement	Repos	Covered bonds	Derivatives	Securities loans	Leases	Insurance agreements
Cash		3,130		5,000	3,993			4,010
Government instruments and bonds		67,419	7,141		1,713			6,188
Loans to the public				651,155			9,140	
Equities						7,115		496
Other								132,490
Total		70,549	7,141	656,155	5,706	7,115	9,140	143,184

Assets pledged according to CSA agreements for outstanding derivatives since 1 January 2012: Max: 50,676 Min: 5,160 Average: 11,585.

The column "Payment systems/securities settlement" refers to securities provided as collateral with central banks for the Bank's undertakings within the payment systems and collateral for securities settlement. Repos refer to securities sold under binding repurchase agreements and which are reported in the balance sheet. Covered bonds mainly consist of loans to the public which are included in the registered cover pool in favour of holdings of covered bonds issued by Stadshypotek. The amount also includes OC (over-collateralization – extra assets in addition to those which are needed to cover the issued bonds). Derivatives comprise cash and bonds provided as a pledge due to the Bank's outstanding undertakings under derivative contracts. Securities loans comprise securities which have been lent and also securities provided as a pledge for the Bank's overall undertakings under securities loan agreements. Leases comprise leased assets which have been pledged in favour of a third party. The assets are reported under loans to the public in the balance sheet. Insurance agreements comprise registered assets in the insurance operations and endowment insurance pledged in favour of employees or former employees.

STADSHYPOTEK

Of the total lending to the public in the Handelsbanken Group just below 60% constitutes mortgage lending in Stadshypotek.

More than half of Stadshypotek's funding consists of covered bonds issued in the Swedish domestic covered bond market. This market is the core funding source for Stadshypotek.

The Swedish market is one of the largest covered bond markets in Europe. Bonds are issued on-tap on a continuous basis in a few benchmarks per issuer. Stadshypotek has eight outstanding benchmark loans, which mature between 2019 and 2028. These loans are arranged by five market makers and are non-callable bullet bonds with a fixed annual coupon. Only a small number of separate bond loans are issued, with respective final maturity dates set at intervals of about nine months. Concentrating large volumes into a small number of loans in this manner achieves good market liquidity.

Stadshypotek also issue covered bonds on the Norwegian market, and since 2016 also on the Euro market with assets in the Finnish cover pool. Assets in the Swedish pool are also used for issuance on the Euro, USD and other markets.

At the end of the quarter, the non-domestic share of the outstanding covered bonds was 29%. The ratio of non-encumbered assets to unsecured wholesale funding was 216% at the end of the second quarter compared to 227% at the end of the previous quarter and 224% at the end of 2017.

Covered Bonds, outstanding issues

SEK bn (nominal amount)	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Swedish cover pool	556	580	560	560	567	547	528	558
<i>of which issues in SEK</i>	421	445	429	413	433	417	397	436
<i>of which issues in other currencies</i>	135	135	133	147	134	130	131	122
Norwegian cover pool	24	26	26	25	25	24	23	24
<i>of which issues in NOK</i>	24	26	26	25	25	24	23	24
Finnish cover pool	16	17	17	15	17	10	10	10
<i>of which issues in EUR</i>	16	17	17	15	17	10	10	10
Total	596	623	603	585	609	580	561	582

Cover Pool Data, Sweden

SEK m	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Stadshypotek total lending to the public in Sweden	1,115,985	1,095,281	1,084,397	1,066,629	1,051,541	1,033,062	1,017,891	996,758
Assets available for Cover Pool	1,015,275	1,014,365	1,000,775	989,217	967,320	952,522	938,560	926,050
Assets utilized for Cover Pool	606,294	633,114	611,145	610,509	618,744	596,654	586,719	629,441
Substitute Assets, cash on a locked account	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
WA Max-LTV Cover Pool, as defined by ASCB	53.1%	54.6%	53.2%	54.1%	53.8%	51.5%	50.7%	51.1%
LTV-distribution								
0-10%	24.0%	22.6%	23.8%	22.8%	22.9%	24.8%	25.4%	24.9%
10-20%	19.9%	19.6%	19.9%	19.7%	19.8%	20.5%	20.9%	20.8%
20-30%	16.7%	16.9%	16.8%	17.0%	17.1%	16.9%	17.0%	17.1%
30-40%	13.9%	14.3%	14.0%	14.3%	14.4%	13.8%	13.6%	13.8%
40-50%	11.0%	11.5%	11.1%	11.4%	11.4%	10.7%	10.4%	10.6%
50-60%	7.9%	8.3%	7.9%	8.1%	8.0%	7.4%	7.2%	7.3%
60-70%	5.0%	5.3%	5.0%	5.1%	5.0%	4.5%	4.3%	4.3%
70-75%	1.6%	1.6%	1.5%	1.5%	1.4%	1.3%	1.3%	1.2%
WA loan size, SEK	651,800	660,800	646,900	638,000	634,500	630,600	624,300	644,900
WA seasoning of Cover Pool, months	65	63	64	62	61	64	64	62
Interest index distribution								
Floating	48.0%	54.0%	49.0%	53.0%	55.0%	48.0%	46.7%	52.0%
Fixed rate	52.0%	46.0%	51.0%	47.0%	45.0%	52.0%	53.3%	48.0%

Liquidity

The Bank has a strong liquidity position. Balances with central banks and banks, as well as securities that are eligible as collateral with central banks, totaled SEK 632 billion (see table below). In addition, there was an unutilised issue amount for covered bonds and other liquidity-creating measures.

Balances with central banks and banks, and securities holdings in the liquidity reserve

Market value					
SEK m	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017
Cash and balances with and other lending to central banks	350,679	405,823	436,279	376,513	265,234
Balances with banks and the National Debt Office, overnight	487	525	404	603	2,041
Securities issued by governments and public entities	117,917	136,971	139,314	101,672	132,385
Covered bonds	57,705	49,396	55,063	46,647	44,249
Securities issued by non-financial companies	128	748	483	302	141
Securities issued by financial companies	174	395	401	434	275
Total	527,090	593,858	631,944	526,171	444,325
<i>of which in SEK</i>	<i>137,910</i>	<i>165,373</i>	<i>165,423</i>	<i>152,986</i>	<i>142,452</i>
<i>of which in EUR</i>	<i>140,720</i>	<i>122,782</i>	<i>127,949</i>	<i>125,582</i>	<i>94,685</i>
<i>of which in USD</i>	<i>133,306</i>	<i>174,921</i>	<i>193,998</i>	<i>117,281</i>	<i>74,168</i>
<i>of which in other currencies</i>	<i>115,154</i>	<i>130,782</i>	<i>144,574</i>	<i>130,322</i>	<i>133,020</i>

31 December 2018					
Market value, SEK m	SEK	EUR	USD	Other	Total
Cash and balances with and other lending to central banks	10,191	133,073	105,666	101,749	350,679
Balances with other banks and the National Debt Office, overnight	123	13	200	151	487
Securities issued by governments	81,252	5,682	24,569	-	111,503
Securities issued by municipalities and other public entities	3,538	-	2,871	5	6,414
Covered bonds, external issuers	34,865	1,793	-	13,108	49,766
Own covered bonds	7,870	69	-	-	7,939
Securities issued by non-financial companies	50	78	-	-	128
Securities issued by financial companies	21	12	-	141	174
Total	137,910	140,720	133,306	115,154	527,090

Liquidity - key ratios

%	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Liquidity coverage ratio (LCR), %	146	161	146	142	139	148	136	169
Net stable funding ratio (NSFR), %	104	103	103	102	102	104	106	106

MATURITY ANALYSIS

Maturities for financial assets and liabilities

31 December 2018	Up to 30 days	31 days - 6 mths	6 - 12 mths	1 - 2 yrs	2 - 5 yrs	5 yrs -	Unspec. maturity	Total
Assets								
Cash and balances with central banks	350,679	-	-	-	-	-	-	350,679
banks	121,937	-	-	-	-	-	-	121,937
Bonds and other interest-bearing securities	50,513	-	-	-	-	-	-	50,513
Loans to credit institutions	14,041	2,963	844	73	1,732	2,425	0	22,078
-of which reverse repos	2,752	-	-	-	-	-	-	2,752
Loans to the public	49,118	250,694	170,924	214,403	422,754	1,078,221	0	2,186,114
-of which reverse repos	9,049	-	-	-	-	-	-	9,049
Other	24,320	-	-	-	-	-	222,533	246,853
-of which shares and participating interests	13,821	-	-	-	-	-	-	13,821
-of which claims on investment banking settlements	10,499	-	-	-	-	-	-	10,499
Total	610,608	253,657	171,768	214,476	424,486	1,080,646	222,533	2,978,174
Liabilities								
Due to credit institutions	103,856	38,463	12,587	3,872	244	4,439	30,477	193,938
-of which repos	-	-	-	-	-	-	-	0
-of which deposits from central banks	42,305	24,015	-	-	-	-	2,316	68,636
Deposits and borrowing from the public	7,501	24,546	4,625	638	590	7,099	962,707	1,007,706
-of which repos	-	-	-	-	-	-	-	0
Issued securities	97,270	341,577	214,706	178,143	479,444	77,167	-	1,388,307
-of which covered bonds	-	31,381	80,853	101,384	329,734	69,222	-	612,574
-of which certificates and other securities with original maturity of less than one year	65,107	252,581	63,313	-	-	-	-	381,001
maturity of more than one year	32,163	57,615	70,540	76,759	149,710	7,945	-	394,732
Subordinated liabilities	15,247	5,503	-	-	21,519	7,623	-	49,892
Other	9,134	-	-	-	-	-	329,197	338,331
-of which short positions	6,163	-	-	-	-	-	-	6,163
-of which investment banking settlement debts	2,971	-	-	-	-	-	-	2,971
Total	233,008	410,089	231,918	182,653	501,797	96,328	1,322,381	2,978,174

The table shows holdings of bonds and other interest-bearing securities in the time intervals in which they can be converted to liquidity if they are pledged as collateral or sold. This means that the table does not reflect the actual maturities for the securities included.

In "Other", assets and liabilities are reported as maturing in the time intervals that correspond to the contractual maturity dates, taking into account contractual amortisation plans.

Sight deposits are reported under "Unspecified maturity". "Other" includes market values in derivative transactions.

Maturities for assets and liabilities in USD

31 December 2018	Up to 1 mth	1 - 6 mths	6 - 12 mths	1 - 2 yrs	2 - 5 yrs	5 yrs -	Unspec. maturity	Total
Cash and balances with central banks	105,731	-	-	-	-	-	-	105,731
Bonds and other interest-bearing securities	31,520	-	-	-	-	-	-	31,520
Loans to credit institutions	6,041	414	243	52	1,226	2,185	-	10,161
Loans to the public	1,888	8,592	543	4,357	8,289	934	-	24,603
Other, including derivatives	49,866	171,811	27,696	53,635	66,353	4,203	-	373,564
Total assets	195,046	180,817	28,482	58,044	75,868	7,322	-	545,579
Due to credit institutions	5,254	7,460	642	-	-	-	348	13,704
Deposits and borrowing from the public	1,848	2,191	989	22	-	-	18,767	23,817
Issued securities	63,786	191,739	108,328	55,030	71,287	1,786	-	491,956
Subordinated liabilities	-	-	-	-	10,911	-	-	10,911
Other, including derivatives	-	-	-	-	-	-	2,913	2,913
Total liabilities	70,888	201,390	109,959	55,052	82,198	1,786	22,028	543,301

Maturities for assets and liabilities in EUR

31 December 2018	Up to 1 mths	1 - 6 mths	6 - 12 mths	1 - 2 yrs	2 - 5 yrs	5 yrs -	Unspec. maturity	Total
Cash and balances with central banks	133,014	-	-	-	-	-	-	133,014
Bonds and other interest-bearing securities	9,233	-	-	-	-	-	-	9,233
Loans to credit institutions	4,551	2,104	29	15	372	-	0	7,071
Loans to the public	3,966	20,210	12,636	26,278	65,741	96,458	0	225,289
Other, including derivatives	-	30,533	12,275	17,296	100,501	26,610	-	187,215
Total assets	150,764	52,847	24,940	43,589	166,614	123,068	0	561,822
Due to credit institutions	75,389	13,793	11,821	-	19	139	3,116	104,277
Deposits and borrowing from the public	1,018	1,739	666	0	214	-	104,798	108,435
Issued securities	20,673	68,950	28,588	28,567	109,843	39,153	-	295,774
Subordinated liabilities	15,247	-	-	-	7,623	7,623	-	30,493
Other, including derivatives	3,963	233	-	-	-	-	16,728	20,924
Total liabilities	116,290	84,715	41,075	28,567	117,699	46,915	124,642	559,903

Maturities for assets and liabilities in SEK

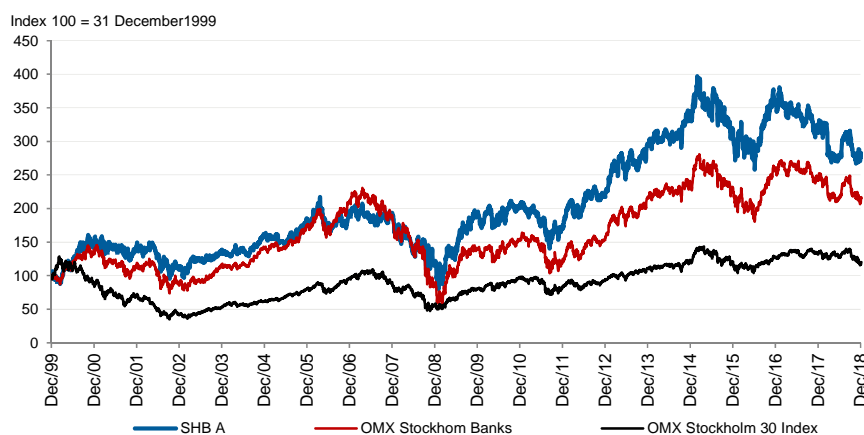
31 December 2018	Up to 1 mths	1 - 6 mths	6 - 12 mths	1 - 2 yrs	2 - 5 yrs	5 yrs -	Unspec. maturity	Total
Cash and balances with central banks	10,186	-	-	-	-	-	-	10,186
Bonds and other interest-bearing securities	129,094	-	-	-	-	-	-	129,094
Loans to credit institutions	1,776	12	277	-	-	-	-	2,065
Loans to the public	26,315	149,177	104,771	110,556	201,323	744,733	-	1,336,875
Total assets	167,371	149,189	105,048	110,556	201,323	744,733	-	1,478,220
Due to credit institutions	12,530	10,950	123	3,761	218	3,906	21,815	53,303
Deposits and borrowing from the public	2,776	6,313	2,686	592	351	7,094	582,824	602,636
Issued securities	1,591	22,451	69,366	80,549	251,150	33,812	-	458,919
Subordinated liabilities	-	5,503	-	-	2,985	-	-	8,488
Other, including derivatives	27,749	90,094	22,074	21,192	78,802	28,005	87,324	355,240
Total liabilities	44,646	135,311	94,249	106,094	333,506	72,817	691,963	1,478,586

Share and shareholders

The Handelsbanken share

	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017
Market capitalisation, end of period, SEK bn	191	218	194	203	218	239	234	239
Share price SHB class A, end of period, SEK	98.30	112.25	99.56	104.20	112.20	122.90	120.60	122.90
Ordinary dividend, SEK	5.50	-	-	-	5.50	-	-	-
Total dividend	5.50	-	-	-	7.50	-	-	-
Number of converted shares	-	-	1,609	-	-	-	-	22,151
Number of repurchased shares	-	-	-	-	-	-	-	-
Holding of own shares in trading book, end of period	-	-	-	-	-	-	-	-
Number of outstanding shares after repurchases and deduction for trading book, end of period	1,944,175,160	1,944,175,160	1,944,175,160	1,944,173,551	1,944,173,551	1,944,173,551	1,944,173,551	1,944,173,551
Number of outstanding shares after dilution, end of period	1,976,884,889	1,976,024,661	1,976,962,335	1,975,753,103	1,974,525,521	1,974,776,264	1,975,025,212	1,975,278,248
Average number of shares converted during the period	1,609	1,609	831	-	22,151	22,151	22,151	17,718
Average holdings of own shares (repurchased and holdings in trading book)	-	-	-	-	-	-	-	-
Average number of outstanding shares	1,944,175,160	1,944,175,160	1,944,174,382	1,944,151,400	1,944,173,551	1,944,173,551	1,944,173,551	1,944,169,118
- after dilution	1,976,024,661	1,976,962,335	1,975,314,735	1,974,503,370	1,974,776,264	1,975,025,212	1,975,278,248	1,974,290,244

Share performance, since 31 Dec 1999



The largest Swedish shareholders

31 December 2018	Number of shares	% of votes	% of capital
Industrivärden	202,900,000	10.6	10.4
Oktogonen Foundation	201,072,046	10.5	10.3
Lundberg-gruppen	66,575,000	3.5	3.4
Swedbank Robur funds	57,022,924	3.0	2.9
Alecta	50,769,000	2.7	2.6
Handelsbanken funds	42,194,504	2.2	2.2
Didner & Gerge funds	27,400,773	1.4	1.4
SEB funds	20,150,688	1.1	1.0
3rd National Swedish Pension Fund	13,396,134	0.7	0.7
J. Wallanders & T. Hedelius stiftelse, T. Browaldhs stiftelse	13,000,000	0.7	0.7
SPP Fonder	12,516,488	0.7	0.6
Folksam	11,462,664	0.6	0.6
Avanza Funds	8,593,082	0.4	0.4
Nordea Fonder	6,999,414	0.4	0.4
Kåpan Pensioner Försäkringsförening	5,590,537	0.3	0.3

Definitions and explanations

ALTERNATIVE PERFORMANCE MEASURES

The Bank's financial reports contain alternative performance measures which Handelsbanken considers to provide valuable information to the reader, since they are used by Senior Management for internal financial control and follow-up of performance and also for comparison between reporting periods.

Alternative Performance Measures (APMs) are financial measures of performance, financial position or cash flow that are neither defined in IFRS nor the capital requirement regulations. These need not be comparable with similar key figures (performance measures) presented by other companies.

ADJUSTED EQUITY PER SHARE

Equity at the end of the year reduced by the equity effect of cash flow hedges and the minority share of equity. Adjusted equity is then divided by the number of ordinary shares at the year-end reduced by buybacks. Where applicable, the dilution effect is taken into account.

C/I RATIO

Total expenses in relation to total income. In segment reporting, profit allocation is included in total income.

EARNINGS PER SHARE

The profit for the year attributable to holders of ordinary shares divided by the average number of outstanding shares. Where applicable, the dilution effect is taken into account.

LOAN LOSS RATIO (IAS 39)

Loan losses and changes in value of repossessed property in relation to loans to the public and credit institutions (excluding banks), and also repossessed property and credit guarantees at the beginning of the year.

CREDIT LOSS RATIO (IFRS 9)

Losses on loans to the public in relation to loans to the public at the beginning of the year.

IMPAIRED LOANS (IAS 39)

Loans are classified as impaired loans if contracted cash flows are not likely to be fulfilled. The full amount of all claims which give rise to a specific provision is included in impaired loans even if parts are covered by collateral.

INTEREST RATE MARGIN

Net interest income for the period calculated for the full year, in relation to average total assets.

RESERVE RATIO EXCLUDING COLLECTIVE PROVISIONS (IAS 39)

Total provisions excluding collective provisions in relation to gross impaired loans.

P/E RATIO

The share price at year-end divided by earnings per share.

PROPORTION OF IMPAIRED LOANS (IAS 39)

Net impaired loans in relation to total loans to the public and credit institutions (excluding banks). Impaired loans are reported without deduction for the collateral that is security for the claim.

PROPORTION OF LOANS IN STAGE 3 (IFRS 9)

Net loans to the public Stage 3 in relation to gross loans to the public.

RESERVE RATIO STAGE 1 (IFRS 9)

Provisions Stage 1 loans to the public in relation to gross loans to the public in Stage 1.

RESERVE RATIO STAGE 2 (IFRS 9)

Provisions Stage 2 loans to the public in relation to gross loans to the public in Stage 2.

RESERVE RATIO STAGE 3 (IFRS 9)

Provisions Stage 3 loans to the public in relation to gross loans to the public in Stage 3.

RETURN ON ALLOCATED CAPITAL

The segment's operating profit after profit allocation, calculated using a tax rate of 22 per cent, in relation to the average capital allocated quarterly during the year.

RETURN ON EQUITY

The year's profit in relation to average equity. Average equity for the last four quarters is adjusted for value changes on financial assets classified as available for sale, derivatives in cash flow hedges, revaluation effects from defined benefit pension plans and a weighted average of new share issues, dividends and repurchase of own shares.

TOTAL RETURN

The total of the year's change in share price and paid dividend per share divided by the share price at the end of the previous year.

TOTAL IMPAIRED LOANS RESERVE RATIO (IAS 39)

Total provisions in relation to gross impaired loans.

TOTAL RESERVE RATIO LOANS (IFRS 9)

Total provisions for loans to the public in relation to gross loans to the public.

KEY FIGURES DEFINED IN THE CAPITAL REQUIREMENT REGULATIONS**CAPITAL REQUIREMENTS**

The statutory capital requirement means that an institution which is subject to CRR must have a common equity tier 1 ratio of at least 4.5 per cent, a tier 1 ratio of at least 6 per cent and a total capital ratio of at least 8 per cent. This means that own funds for the respective ratio must be at least the stated percentage of the risk exposure amount. For definitions of the respective own funds amounts, see Common equity tier 1 capital, Tier 1 capital and Total capital. In addition to the general requirements, the supervisory authority may add institution-specific requirements in accordance with Pillar 2 of the regulations.

CREDIT CONVERSION FACTOR (CCF)

The factor that is used when calculating the exposure amount for unutilised overdraft facilities, committed loan offers, guarantees and other off-balance-sheet commitments.

CREDIT VALUATION ADJUSTMENT RISK (CVA)

Credit Valuation Adjustment risk (CVA) measures the risk that the market value of a derivative will decrease as a result of the creditworthiness of the counterparty weakening. The Credit Valuation Adjustment is a component in the regulations for valuation of derivatives. The adjustment in the value is based on the counterparty's creditworthiness. An exposure to a counterparty with weaker creditworthiness must have a lower carrying amount than the corresponding exposure to a counterparty with better creditworthiness. In this context, credit risk means that if a given counterparty's creditworthiness weakens, the balance sheet values of all derivative transactions with this counterparty with a positive market value decrease – and thus the Bank's equity decreases. To factor in this risk in the capital adequacy, the Credit Valuation Adjustment risk has been introduced as part of the capital adequacy regulations.

COMMON EQUITY TIER 1 CAPITAL

Common equity tier 1 capital is one of the components of own funds and mainly comprises equity. Deductions are made for dividends generated, goodwill and other intangible assets, and also the difference between an expected loss and provisions made for probable credit losses.

COMMON EQUITY TIER 1 RATIO

Common equity tier 1 capital in relation to total risk exposure amount.

COMMON EQUITY TIER 1 RATIO AVAILABLE FOR USE AS A BUFFER

The common equity tier 1 ratio after a deduction for the part of common equity tier 1 capital required to comply with all formal capital requirements.

EXPOSURE AMOUNT

Exposure amount (exposure at default) is the amount which is subject to capital adequacy requirements. It is calculated inclusive of interest and fees. Amounts for off-balance-sheet items are recalculated with the credit conversion factor (CCF). For derivatives, the exposure amount is calculated as positive MTM (mark-to-market) plus value change risk, i.e. the nominal amount multiplied by the upward adjustment factor.

EXPOSURE VALUE

Exposure value is the same as exposure amount. The exposure value concept is used in the standardised approach for credit risk.

LEVERAGE RATIO

Tier 1 capital in relation to total assets, including certain off-balance-sheet items recalculated with conversion factors defined in the standardised approach and regulatory adjustments from own funds.

LIQUIDITY COVERAGE RATIO (LCR)

High-quality liquid assets in relation to an estimated net outflow of liquidity over a period of 30 days.

OWN FUNDS/TOTAL ASSETS

Own funds are the sum of tier 1 and tier 2 capital.

RISK EXPOSURE AMOUNT

The capital requirement in accordance with CRR is multiplied by 12.5. Risk exposure amount is used in conjunction with market risk and operational risk.

RISK WEIGHT

A measure to describe the level of risk an exposure is expected to have according to the capital adequacy regulations.

RISK-WEIGHTED EXPOSURE AMOUNT

Exposure amount multiplied by risk weight. Risk-weighted exposure amount is used in conjunction with credit risk and counterparty risk.

TIER 1 CAPITAL

Common equity tier 1 capital including additional tier 1 capital.

TIER 1 RATIO

Tier 1 capital in relation to total risk exposure amount.

ADDITIONAL TIER 1 CAPITAL

Additional tier 1 capital comprises perpetual subordinated loans which meet the requirements stated in Regulation (EU) No 575/2013 and can therefore be included in the tier 1 capital.

TIER 2 CAPITAL

Tier 2 capital is a sub-component of the capital base and mainly comprises subordinated loans which meet the requirements stated in Regulation (EU) No 575/2013 and can therefore be included in the tier 2 capital.

TOTAL CAPITAL RATIO

Total capital in relation to total risk exposure amount.

TOTAL RISK EXPOSURE AMOUNT

Total risk exposure amount is the sum of risk exposure amount and risk-weighted exposure amount.

EXPLANATIONS

BENCHMARK EFFECT

The benchmark effect refers to differences between the interest-fixing periods of lending and borrowing that result when Stadshypotek's issues mature at nine-month intervals while new lending to customers occurs daily. The effect varies from quarter to quarter but approaches zero over the long term.

NON-RECURRING ITEMS

Non-recurring items are items which Handelsbanken deems to be of a one-off nature. These are specified in Handelsbanken's Fact Book, which is available at www.handelsbanken.se/ireng.

RISK RESULT

A concept used in the Bank's insurance operations. The year's risk result is the difference between the fees the company charges to cover the insurance risks (mortality, life expectancy, disability and accident) and the actual cost of the insurance events.

SPECIAL ITEMS

Special items are items which tend to vary between financial reporting periods, such as provisions to the Oktogonen profit-sharing foundation, and which Handelsbanken has specified in detail to facilitate comparison of financial performance.

Contacts and Financial calendar

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Financial calendar:

2019

6 February 2019	Highlights of Annual report 2018
27 March 2019	Annual General Meeting
17 April 2019	Interim report January – March 2019
17 July 2019	Interim report January – June 2019
23 October 2019	Interim report January – September 2019

2020

5 February 2020	Highlights of Annual report 2019
25 March 2020	Annual General Meeting
22 April 2020	Interim report January – March 2020
15 July 2020	Interim report January – June 2020
21 October 2020	Interim report January – September 2020

Handelsbanken